

THE EVOLUTION OF HUMAN RESOURCE MANAGEMENT: THE NECESSITY OF FACING THE INDUSTRIAL REVOLUTION 4.0

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Abstract

The management of human resources in today's organizations presents a challenge from a strategic perspective. In order to successfully usher in the era of the Industrial Revolution 4.0, it is essential to realign the new business culture with the empowerment of behavior and performance that is required as part of the individual and organizational learning process. The purpose of this study is to investigate how human resource management has developed in response to Industry 4.0. This research is qualitative, and it employs a qualitative approach in conjunction with a descriptive methodology. The findings of the study indicate that human resource management is a strategic partner for organizations, which in turn generates optimism within those organizations in light of the fourth industrial revolution and VUCA. This study investigates the various epochs in the development of HRM, beginning with personnel management and moving on to human resource management and finally human capital management.

Keywords: *Evolution, Personnel Management, Human Resource Management, Human Capital, Industrial Revolution 4.0.*

A. INTRODUCTION

The human resources (HR) department has undergone many changes due to the current economic and social situation; globalization, the need for innovation and sustainability, and the diversity of generations or technology are some of the variables that most directly influence strategic functions (Warsono, 2017). These changes affect missions and responsibilities, as well as normal work processes and practices, which require increasing computation, with professionals with change-oriented skills and able to work with diverse teams. Adapting to change is a great opportunity for the HR department and the organization (Hariandja, 2002).

Operating in a globalized world means that organizations must adapt to situations where there are not only language and cultural differences among workers but also variations in social, political, and legal systems. According to Paul Sparrow (2007), this situation creates an obligation to think about: a) how to create HR practices in different places, b) how to develop a coherent and corporate culture, and c) how to prepare future managers to work in a culturally diverse environment. In addition, these practices must be consistent with the VUCA context, a highly complex and multicultural context, and with creative solutions that make it possible to attract, motivate and retain talent. Thus, corporate globalization shows changes in HR processes at various levels (Sisibintari, 2015).

Add to that the workforce is diverse, and they are getting old. On the one hand, retaining the most qualified employees is difficult, given the shortage of qualified people. They often possess unique competencies critical to organizational success. Understandably, an

organization should retain them in their roles until a qualified or trained replacement can be found (Labola, 2019). For personnel loyalty, organizations need to increase flexible work and part-time work, provide a supportive environment and use various recognition systems so that these people are motivated and last longer in the organization (Tampubolon, 2020).

Alternatively, keep in mind that different generations are beginning to coexist within the same organization, so it is necessary to develop HR policies that are aligned with the goals and values of the different generations that comprise the organization. This is why recent emphasis has been placed on acquiring the new skills required to work in the HR departments of modern businesses (Sobirin, 2014). According to a 2002 survey conducted by the Society for Human Resource Management, information and communication technology (ICT) and talent management will be the two primary change agents in the 21st century. Technology refers to the use of information and communication technologies (ICT) to store and disseminate HR data. Talent management is the process of anticipating organizational needs (e.g., preparing successors) and developing individuals in accordance with a strategic plan that takes these needs into account (Schuler et al., 2002).

There has been an increase in the use of ICT to collect, store, and utilize decision-making data over the past three decades (Strohmeier & Kabst, 2009). Important HR processes, the nature of work, and the relationship between people and organizations have been altered by these technologies. For instance, allowing Internet-based job postings and candidate interaction with recruiters, or providing employees with training via intranet systems, video conferencing, or online simulations (Dineen & Allen, 2013).

In this scenario, the HR department has played a major role. Looking back, it can be seen that traditional HR practices sought to ensure short-term effectiveness and efficiency, with job definition, training of supervisors with skills to control workers, and motivation based almost exclusively on results (. For this, the search for personnel to develop the HR function as a "technical specialist" is defined by a job description where confidentiality, punctuality, and intellectual flair, for example, reflect what is expected of the organization. This implies specific regulated training to ensure a well-performed "administrative" job and its controls (Guest, 1987).

The increasing need for proactivity in organizations also affects HR departments, which are changing from reactive to proactive. It is not only about reacting to economic, social, and technological changes but anticipating to put the organization in a competitive position (Sari et al., 2022). In other words, leading people to develop their potential and do so with a future perspective, thereby benefiting their personal and organizational evolution. This led to a redefinition of the processes that make up the usual practice of the HR department (Tun Huseno, 2021).

Thus, nowadays, the talent acquisition process must guarantee that the organization has the necessary personnel, in numbers and quality, but knows how to combine the realities of the new generation with the current uncertain, complex, and ambiguous environment (Sabrina, 2021). Regarding training and development processes, they must now seek the level of professional development necessary for staff to contribute to the achievement of organizational goals, taking into account the expectations of their workers, the development of their talents, and the commitment of both (the organization and collaborators) to such development. For this, flexible, innovative, and non-repeatable plans that generate commitment and bet on employability are essential (Ng & Feldman, 2008).

Finally, the reward and recognition process must ensure that decisions are made correctly, recognizing and encouraging this behavior; at the same time, flexibly, they must allow their staff's innovative contributions to be assessed (Dulebohn & Johnson, 2013). In short, working in an HR department in the current situation requires important technical, social,

and emotional skills if you are to accompany your organization as a strategic partner in its challenge to competitiveness.

B. METHOD

The authors used a qualitative method with a descriptive approach for their research. Since qualitative descriptive analysis relies on people as subjects, the goal should be to identify theories more interested in process than results and select a set of criteria defining qualitative research. Data validity reports are the core of the research plan. All participants in this study support the results. According to Moleong, a qualitative research approach is used to assess natural settings. Qualitative research relies heavily on researchers (Moleong, 2014).

C. RESULT AND DISCUSSION

History, Management training should always include instruction in human resource management. Humans were devalued before the turn of the twentieth century because they were seen as nothing more than a means to an end, a factor of production on par with tools, currency, and procedures. Companies care more about, or focus more on, natural resources than they do on their employees. It was because there were too many people looking for work and not enough jobs to go around, leading to a general lack of respect for humans.

In subsequent developments, attention to human factors as human resources is much greater. This is due to developments in management knowledge, more active trade union organizations, and a labor shortage. With the above factors, around the 1950s, experts re-examined the importance of human resources in organizational activities.

Human resource management appears when humans gather for a common goal. HRM activities date back to 1915 when the US military developed a psychological testing corps, a team of union examiners, and a morale team. Several people trained in the practices of the three teams then became personnel managers in the industrial sector (Paramansyah et al., 2021).

While Australia lagged behind, the United Kingdom and the United States advanced in the field of personnel management because they were early adopters of mass production work processes following the advent of the industrial revolution. During this time, FW Taylor of the Scientific Management Movement became a prominent figure due to his work in the field of motion and time study. Inexpensive manufacturing is made possible by energy-driven devices and an enhanced production system. Therefore, this results in numerous boring, unhealthy, and potentially harmful responsibilities. The result is a skewed perspective of people's place in the business.

Awareness of the importance of the human role in the organization develops when employee productivity affects the company's competitiveness. The human factor is an important part of the company because good employee management is a way to increase productivity on the one hand and company competitiveness on the other. This encourages personnel/staffing management to change to the study of HR Management (Gomes, 2009).

Human resource management (HRM) has evolved in response to societal, educational, scientific, and market trends that have increased the pressure to produce competitive goods and services. Human resource management (HRM) is a field that emerged in the last century from the study of how people and their interactions at work contribute to the success of businesses. The evolution of HRM is influenced by economic, political, and social factors. Human resource management will evolve in tandem with global changes in culture, technology, and legislation. Human resource management (HRM) has evolved over several generations:

1. First Generation (1800-the 1940s): Pre Personnel Management. Humans are still seen as a factor of production, as human machines. Owner Manager owner, and manager, HR Management is still in a slump.

2. The second generation (1945-the 1960s): Personnel Management. Humans are considered machines that have feelings; the emergence of labor unions and the existence of job analysis, as well as better human resource management.
3. The third generation (1965-the 1970s): HRM or Human Resource Management. Humans as subjects with the introduction of human resource management. Furthermore, motivation and work behavior is an important issues.
4. The fourth generation (1975-1999): HRM strategy. Starting to implement a strategic pattern in managing people, the company's development depends on the competitiveness of its human resources, and humans are considered company assets.
5. Fifth generation (2000 - present): Brainware Management. In Indonesia, the problem of human resources began to be considered more seriously in the 1970s. The emergence of laws on labor, drinking wage regulations, and employee welfare evidences this.

Human Resource Management Science is the systematic development of the management function of planning, organizing, leading, and controlling human resources within an organization for the purpose of achieving its goals and objectives. This requires those with an interest in and knowledge of the field of Human Resources, namely the HR Manager, to take the initiative and be prepared to adapt quickly to changes in the labor market (Sinambela, 2021).

With the advancement of HRM science, one thing is certain: HRM's primary purpose has shifted. Employee management is evolving from a siloed discipline into an integral part of the organization. Policies taken by the Human Resources Management section are now more closely related to the company's strategic plan or company policy. The HR department must translate the organization's strategic plan into the workforce and everything appropriate (Hendra Permadi, 2018).

Human Resource Management (HRM) used to be more concerned with administrative activities of the employee section, such as recruitment, training, wages, etc., before the field of study evolved into what it is today. When good HR practices are implemented, the company can rest assured that its production and other functional parts will have access to qualified workers who have been fairly compensated. Human resource management (HRM) and personnel administration (PM) are two terms that, according to some authorities, are interchangeable. They mean the same thing, so you can use either one. Many job postings and descriptions use both terms interchangeably.

Knowledgeable people can characterize the distinctions between Personnel Management and HR Management as differences in approach. Administrative tasks, such as payroll, wage systems, and following labor laws, fall under the purview of Personnel Management. Human resource management, on the other hand, oversees employee welfare as one of a company's most valuable resources (Nurjaman, 2014).

According to Manullang (2008), personnel management is "planning, organizing, directing and controlling labor procurement, development, compensation, integration, maintenance, and termination of employment with human resources to achieve individual, and community goals." The term simply all the people working implies all the people who work in an organization. The emphasis is on issues within an organization related to labor productivity. Personnel management is the art and science of obtaining, advancing, and utilizing the workforce in such a way that efficiently and effectively efficient and effective manner, and there is excitement at work.

The next evolution of personnel management shifted to the Human Resource Management (HRM) Approach and then to Human Relations Management (HRM). In this era, we are faced with the development of businesses and organizations where the competition is such tight, with each one prioritizing excellence, so that qualified and superior human resource technological developments are also developing towards a mechanization system to accelerate

processes and improve quality so that competitive human resources are needed (Suprihanto & Putri, 2021).

Human Resource Management has its origins in the industrial revolution, when the spread of industrialization placed pressure on a company's ability to pay, train, and manage its large workforce. The late 19th and early 20th centuries witnessed significant shifts in government regulations and labor relations in relation to this field's development. Human Resource Management emerged prominently in the middle of the twentieth century, aided and influenced by the growth of organizational and behavioral studies. The Society for Human Resources Management, formerly known as the American Society for Personnel Administration, was founded in 1948. Since then, this field has gained widespread recognition as a respected profession for practitioners and researchers. The concept of human resources is utilized extensively in management, industrial and organizational psychology.

Recognizing the distinction between Personnel Management and HR Management reveals that HR Management has a much broader scope than Personnel Management. It is said that HR management includes and develops Personnel Management tasks while seeking, creating, and developing teams of employees who can contribute to the organization. Human Resource Management's primary objective is to facilitate the highest level of productivity among employees (Suryani, 2020). Personnel Management encompasses both conventional and routine administrative duties. HR Management relates to an ongoing strategy to organize and develop the workforce of an organization. HR management is proactive because it entails the ongoing development of functions and policies to enhance the organization's workforce.

The existence of the industrial revolution 4.0 and society 5.0 emphasizes the development of information technology so that it demands readiness to be able to apply and welcome technological changes that are so fast that it is necessary to have sufficient expertise and knowledge to respond to changes in information technology that are developing. Knowledge is needed to produce continuous innovation and innovation in line with the rapid changes in high-speed technology and even automation towards robotic systems, which are used as competitive advantages. In this condition, humans are no longer just employees or workers; companies or organizations feel lost when these employees are not in the organization. So that a human shift is needed to become capital (in the form of non-finance), resulting in a shift in HRM to "Human Capital." This becomes important to provide confidence that humans who determine business excellence in organizations are made capital who have the right to acquire shares and become part of the company's assets (Widiyaningrum, 2014).

An approach that is considered even more advanced is the Human Capital approach. Humans are no longer a resource but are a company's major capital or asset. Everything in the company is the result of human work, so the quality of the people in the company determines the fate of the company itself. An approach that is considered even more advanced is the Human Capital approach. Humans are no longer a resource but are a company's major capital or asset. Everything in the company is the result of human work, so the quality of the people in the company determines the fate of the company itself.

According to Wobmann (2000), in the business world, human capital is a combination of the following factors: The traits one brings to the job: intelligence, energy, a generally positive attitude, reliability, and commitment. How strong is the role of humans who have these criteria to become human capital so that companies feel lost and dependent on human capital because of innovation, creativity, attitude, commitment, and competence which are the flagship of the corporation, so it is imperative to make human capital as part of a capable company asset? Generate Return of Investment (ROI) as part of Assets and generate Return of Human Capital (ROHC).

Human Capital produces a performance that Fit the Value criteria, which is the highest work value in business activities. To achieve this performance, human capital must be able to

create value through: ideas, creativity, and innovations in the form of improvements, changes, refinements, and even new products from the Innovation Revolution.

The ability to have ideas, creativity, and innovation requires knowledge that can face competition in global business, so it requires a good and strong Learning Center, even in the form of institutes, academies, and universities. This has been done by many national and international corporations such as PLN University, Podomoro University, and other large companies in preparing the knowledge that is needed by Human Capital which is integrated with Research and Development (R & D), which is the company's mainstay for the future (The Future).

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D. CONCLUSION

A basic primer on Human Resource Management is presented, and the different types of human resource management systems are discussed, showing how different types are necessary for decision-making at different organizational levels. In addition, this chapter discusses the development of HRM and how it helps enable HRM to become a strategic partner in organizations, which in turn leads to organizational optimism in facing VUCA. There was an evolution of the term, starting from personnel management and shifting to Human Resource Management (MSDM), which later became Human Capital Management (HCM), which some people call Human Resources. Personnel Management is a function that manages human beings as laborers and is faced with basic routine work so that the results achieved are still basic values. Furthermore, Resource Management (HRM) is an evolution of the term personnel. Humans are considered employees and factors of the means of production who must have the expertise (skills) both conceptual, technical, and human skills, so knowledge and capabilities must be given through programmed learning (Learning Centers). The system is already based on technology with a Computer Based System (Computer Base System), which needs anticipated developments. The values built are the best, so the results are target results, not work time. The principles of efficiency and effectiveness need to be applied to all functions so that there is a cost advantage that becomes a tool for competition. The next evolution will occur in line with business changes in industry 4.0, which have been prepared by developing internal capabilities through Human Capital Management (HCM) with Humans because expertise, innovation, experience, and advantages are used as capital (non-financial capital). Its presence becomes decisive because the corporation will feel lost if this Human Capital leaves the company, so it must be part of Assets (non-finance). Organizations are faced with digital technology systems that are fast and responsive.

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