

## Conference Paper

# Modelling Concept: Human Resources Professional Transformation in Manufacturing Company

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## Abstract.

This concept aims to meet the theoretical needs in answering the problem for the roles of the human resource management function in a manufacturing company which involve the HR Division Line Manager. The proposed update is an evolutionary concept of work in human resource management called “Human Resource Professional Transformation”. Specifically, this concept discusses the ability of the HR division line managers to make adaptive changes to the company’s business-oriented functional divisions with managerial competence, commitment, innovation capability, and readiness for changes. This concept was born by synthesizing various search related scientific literature. Based on the theoretical study, it can be concluded that the concept of human resources professional transformation has the potential to improve the performance of line managers in the HR division. Besides this, human resources professional transformation answers the role of the human resource function which integrates the theoretical basis of Human Resource Analytics, Human Resources Professional and Human Resource Transformation as a competitive advantage strategy in facing competition and promoting company success.

**Keywords:** Managerial Competence, Commitment, Innovation Capability, Readiness for Change, Human Resources Professional Transformation, HR Division Manager Performance

## 1. INTRODUCTION

Phenomenon of macro research was presented by a management consulting firm: [1] on Future of Work The Global Talent Crunch Country Perspective: Indonesia, shows that the manufacturing sector in Indonesia has the potential to experience a crisis of skilled workers, one of which is the workforce at the Managerial level, including the Line Manager of the HR Division. This study projects that Indonesia will experience a slowdown in the growth of skilled labor shortages by 2030. Based on a survey from this study, the Indonesian manufacturing sector experienced the greatest impact at a

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critical point. The shortage of skilled workers in large numbers and including workers at the managerial level is a problem for companies in the world, especially Indonesia. This is due to the rapid changes in the business environment, workforce planning and a comprehensive understanding of the talents of the skilled workforce. In this study, only India has a surplus of skilled labor of 245.3 million people in 2030. India has succeeded in overcoming the need for skilled labor due to its large population of working age and government programs that encourage skilled workers. From all the countries in the Asia Pacific region globally examined in this study, Indonesia faces the most critical shortage of skilled workers across the manufacturing sector with a total of nearly 18 million people.

[2] in the Indonesian Edition of Global Talent Trends study published in 2021 also stated that currently, the impact of Covid-19 also affects the ability of manufacturing company operations in Indonesia. HR managers/leaders in Indonesia from various manufacturing companies who participated in the survey stated that 73% of the impact of Covid-19 had a negative impact on business. Only 37% of companies in Indonesia that implement HR capability-based strategies. Of course, the decision to develop skills within the company is focused on the abilities of the employees. Managers are HR divisions to stay ahead in achieving success. The survey results from the transformation plans of Indonesian companies for organizational sustainability, workforce adaptability (acquisition of new skills and involvement) and redesign of HR strategies can be seen in Figure 1:



**Figure 1:** Indonesian Company Transformation Plan. **Source:** Mercer Consulting Group Global Talent Trends Study, (2021).

Figure 1. The transformation plan of Indonesian companies, in this Global Talent Trends study, shows that only 35% of Manufacturing Companies that undergo a significant transformation of their workforce. According to [2], the main challenge to the success of corporate transformation is because they don't have the right skills to be

able to implement workforce transformation both in the managerial environment and in the company environment thoroughly.

Based on the explanations and research phenomena described, the researchers offer the latest concepts to overcome problems that occur in manufacturing companies as solutions for company goals and success. This latest research collaborates the conceptualization of the application of HR Analytics Theory, HR Professionals and HR Transformation. The the application combination of this theory formed the renewal of a synthesis called the Human Resources Professional Transformation. The foundation for achieving transformation in the work scope of line managers in the HR division was focused on managerial competence, commitment, innovation capability, readiness for change and performance.

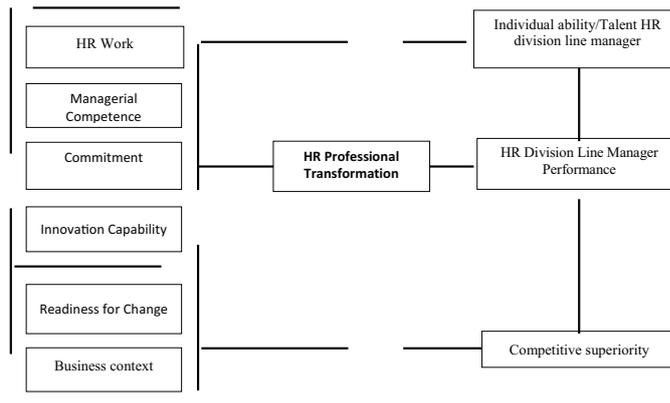
## 2. RESEARCH METHODS

Literature review was used as the basis for discovering the concept of Human Resources Professional Transformation from various articles that have been published in Figure 3. This literature review was sourced from: Human Capital Theory which is a classic study theory [3], HR Work [4], HRM Strategy Theory [5], HR strategy theory [6], Business context [7], Organizational learning capabilities [8], Organizational learning theory [9], HR professionals [10], [11], [12], HR transformation [13], [14], HR Analytics [15], [16].

## 3. RESEARCH RESULTS

### 3.1. The Cause

Figure 2 below describes the study results of human resource work theory in making adaptive changes to the company's business-oriented functional divisions. This consists of: managerial competence, commitment, innovation capability, readiness for change that has gaps in the performance of line managers in the HR division. In carrying the roles and functions of human resources that can improve the performance of line managers in the HR division, it requires collaboration of individual capabilities/talents from line managers of the HR division to achieve the results that are seen from the business context. The collaboration of Human Resources Professional Transformation. It is a relationship of a HR transformation, HR professionals and HR analytics to conduct job evolution with competitive strategies in facing competition and company success.



**Figure 2:** Human Resources Professional Transformation.

### 3.2. Concept Synthesis Model

Figure 3 below explains that the concept of Human Resources Professional Transformation is a new concept to conduct the roles and functions of Human Resources in a business context from the collaboration of relationships between Human Resource Analytics, Human Resources Professionals and Human Resources Transformation as a competitive strategy in dealing with competition and company success. Human Resources Professional Transformation is the ability of line managers of the HR division in making adaptive changes to the company’s business-oriented functional divisions. In the process of implementing the professional transformation of HR, the company collaborates with the individual capabilities/talents of HR division line managers to improve innovation, knowledge management capacity, implement change with a same

belief in making changes effective. HR Professional Transformation Collaboration is a link among HR transformation synthesis, HR professionals and HR analytics to conduct job evolution with superior strategies in the company’s success. Developing talent as a renewal of these skills can be applied in the form of managerial competence, commitment, innovation capability and having readiness for change to improve performance. Based on the results of the synthesis of Human Resources Analytics, Human Resources Professionals and Human Resource Transformation who asked for further research, it can be stated that these three concepts require a new concept to answer and solve problems in human resource management. According to [17], revitalization or decline which is at a critical point can be used as an implication of a theory. Based on with this view, it can be stated that the concept of Human Resources Professional Transformation as renewal has met the requirements.

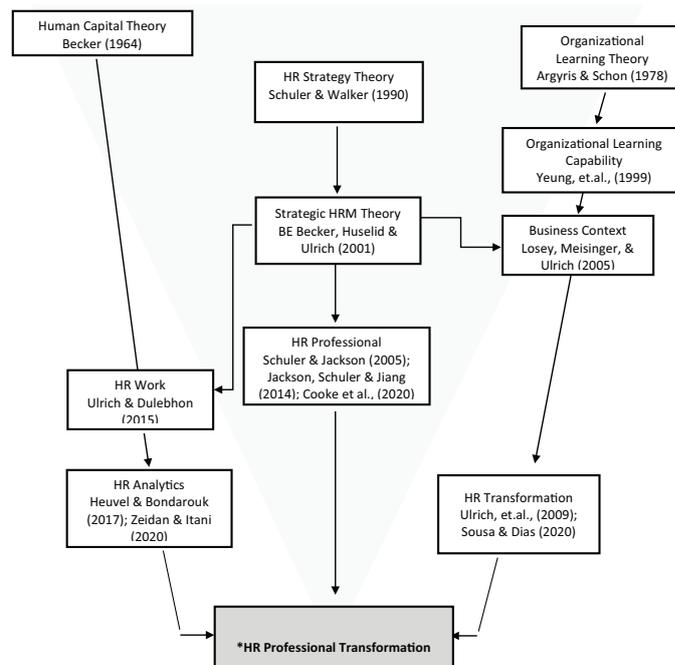


Figure 3: The Synthesis Concept of Human Resources Professional Transformation.

### 3.3. Analysis

Based on the results of the analysis of the scientific literature review, it was obtained the proposition that Human Resource Analytics, Human Resources Professionals and Human Resource Transformation as an integrated approach in the company’s competitive advantage on the concept of “Human Resources Professional Transformation” which has the potential to improve the Performance of HR Division Line Managers . The proposition is described in the model as follows:

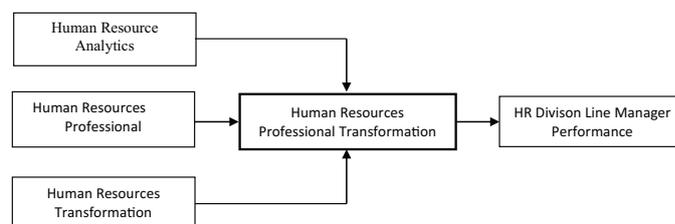


Figure 4: Proposition Model.

The analysis results of testing the Human Resources Professional Transformation concept model conducted at Manufacturing companies in Indonesia through a questionnaire in Medan City in 2021 concluded that the Human Resources Professional Transformation model was declared valid as a competitive advantage strategy concept in achieving company success.

## 4. CONCLUSION

Based on the results of the analysis, conclusions are obtained according to the survey of management consulting companies: [1] on the Future of Work The Global Talent Crunch Country Perspective: Indonesia and [2] in the Indonesian Edition of Global Talent Trends study published in 2021 regarding to the problems experienced by manufacturing companies in Indonesia. There were projections regarding the imbalance in the need and availability of manpower at the managerial level (line managers of the HR division) and the low ability of the Managers including the HR division to stay ahead in achieving success, which was reflected in the less competitive performance. The challenges faced by manufacturing companies in Indonesia and especially in the city of Medan will have an impact on the activities and operations of the company in driving long-term business strategies for the company's success in the future. The results of this analysis concluded that the concept of Human Resources Professional Transformation can be used as a reference as a guide for manufacturing companies in formulating a strategic plan for integrating competitive human resource functions to achieve company success. The HR function or division can determine the work as the company's strategy in achieving optimal performance results. In achieving a competitive advantage, it was suggested that manufacturing companies can improve their managerial competence, commitment, innovation capability, and readiness for change, which is oriented towards the operational implementation of human resources. The form of implementation conducted by the company was by encouraging HR division managers to understand business operations, encouraging employee creativity. So that they understand the goals and ways of business operations, being adaptive in responding to deteriorations and obstacles, and doing efficiency and effectiveness of employees' work to face the world of competition.

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