

Dynamics Of Human Resource Management In Improving Worker Productivity And Welfare In The Digital Era In Indonesia

Syamsu Rijal¹, Muhlis²

^{1,2}Jurusan ilmu ekonomi, Universitas Negeri Makassar

E mail :syamsurijalasnur@unm.ac.id, Muhlis@unm.ac.id

Abstract

In this digital era, HR management is key to improving employee productivity and well being. Digital transformation requires organizations to adapt not only in business processes but also in workforce management. This includes the implementation of information technology, process automation, and more flexible work approaches. This study adopted a literature review method to explore how HR management can optimize employee productivity and well-being through digital innovation. The results show that utilizing technology in HR management processes can increase work efficiency. However, this also carries the risk of causing technostress, which can negatively impact employee mental well-being. Therefore, a management strategy that balances digital efficiency and employee emotional well-being is needed. This can be achieved through stress management training, mental health support, and the development of a work culture that supports work-life balance.

Keywords: Human Resource Management, Employee Productivity, Workplace Well-being, Digitalization.

INTRODUCTION

Rapidly evolving information and communication technologies enable process automation, real-time information access, and advanced management systems. This digital transformation demands adaptation and change in human resource management. This aims to maximize the benefits of these new technologies. Therefore, it is also important to understand how human resource management can play a role in increasing employee productivity within the context of digitalization. In the technological era, improving human

resources can help increase the economic value of society while improving mental, financial, and psychological well-being. Human resources, equipment, machinery, finance, and information each perform specific tasks and functions. These resources will work together and interact with each other to achieve goals effectively and efficiently.

Human Resource Management (HRM) is a component of general management that deals with human resources. HRM is the most crucial component of management because people are at the heart of all management processes. Human resources (HRM) are a crucial and inseparable component of any organization, whether an institution or a company. Human resources also play a crucial role in determining business development. Essentially, the people who work in an organization to help achieve its goals are called human resources (Fitri, 2024). "The Human Resources function has the potential to outpace other support functions as it becomes more digital," Makridakis said. "Higher performance and in-depth analytics are two benefits of digitization for the human resources sector. Other benefits include increased recruiting efficiency by replacing manual resumes with automated screening that completes these tasks in seconds; increased transparency and access to previously siloed data sets; and HR analytics that "push" reporting to line partners so they can see relevant data in real time and take appropriate action. Analytics that "push" reporting to line partners so they can see relevant data in real time and take appropriate action is one of the benefits of digitization for the human resources sector. Other benefits include improved performance and in-depth analytics; increased recruiting efficiency, such as replacing manual resumes with automated screening that completes these tasks in seconds; increased transparency and access to previously siloed data sets; real-time employee monitoring; and automation of transactional tasks.

Rollos defines productivity as the amount of output a person can produce with minimal effort. Productivity is a ratio to measure how well an organization (or individual, industry, country) converts input resources (labor, materials, machines, etc.) into goods and services. Employee productivity can be evaluated based on the number of products and services produced by employees in a certain period, however, Dorgan (1994) measures productivity also on the achievement of quality. Productivity is a ratio to measure how well an organization converts input resources (labor, materials, machines, money) into goods and services. Productivity is related to aspects of social relations, managerial roles, organizational structure, personal aspects and the work climate environment (Arifianti et al., 2017).

Work productivity is the result of the interaction between ability and motivation. Work ability itself is shaped and influenced by knowledge and skills. Several factors that determine knowledge include education, experience, training, and the desire to learn.

Meanwhile, skills are influenced by talent, intelligence, and personality. On the other hand, work motivation can be influenced by physical conditions, the social environment in the workplace, and the employee's basic needs. Productivity can be understood from various aspects, one of which is an individual's performance in carrying out their duties. Therefore, employees who possess high ability and motivation in carrying out their duties have great potential to support the organization. They will be productive by meeting job qualifications, possessing a positive work orientation, a mature attitude, high motivation, and effective social skills (Djuwita, 2011).

Employee productivity is a term referring to psychological behavior that encompasses the perspective on the implementation of production activities in a business, which is expected to perform better than before and continuously improve itself by thinking more creatively, dynamically, and openly about its work system (Jennatul Ma'wa, 2025). Work productivity is defined as a comparative calculation between the results obtained and each facility and infrastructure used during the production process. This definition aligns with the idea (Safrin & Sulaiman, 2021) that productivity is the ability to optimize results by utilizing as many available resources as possible. Employees who feel well-being, which includes physical and emotional well-being, tend to have higher levels of job satisfaction, which in turn increases their productivity. Conversely, employee well-being can be reduced by an unsupportive work culture, such as excessive work demands or an unhealthy work environment. According to research by Heskett et al., companies that prioritize employee well-being perform better (Khaldun et al., 2025). In the creative economy, productivity is a key measure of an organization's success. It's not just the technical capabilities of employees that influence productivity, but also the level of motivation and the work environment created by the company's culture. Therefore, to increase competitiveness in this industry, it's crucial to understand how culture and productivity relate to each other.

According to experts, advances in digital technology have become a significant transformational factor in the modern workplace. This development is marked by a shift from analog technology to digital systems integrated into various aspects of organizational life. Digital transformation has had a broad impact on how individuals learn, work, and are managed within an organizational environment. In this context, digitalization has increased operational efficiency through the utilization of data, applications, and collaborative tools that enable flexible work across time and location, thus positively impacting productivity and problem-solving capabilities. The digital work environment is seen as an evolution from conventional work models to a more adaptable and decentralized virtual form. This concept reflects a new approach to work management that prioritizes mobility, technology integration, and the availability of real-time information. Therefore, digitalization is not

merely considered a trend, but a structural transformation that directly impacts organizational effectiveness and the dynamics of the business world as a whole (Pratama, Muhammad Setya; Mubaroh, Sri; Afriansjah, 2021).

METHOD

This research uses a type of library research or literature review, namely a series of studies related to library data collection methods or research subjects that are excavated through various library sources, such as books, encyclopedias, scientific journals, newspapers, magazines, and documents. The author uses a descriptive analysis approach to analyze the research results. Descriptive analysis analyzes and explains phenomena or problems that are occurring using the latest and relevant literature. To obtain valid research data, data collection methods must be carried out. The author uses a library method, using data from books and articles to search for related references on the problem of the role of HR in increasing employee work productivity.

RESULTS AND DISCUSSION

Companies today need to focus more on improving and maintaining their employees' performance, given the rapid developments in various economic and technological sectors. Technological innovation has brought significant changes to the way employees work. In today's era, digital technology increasingly dominates the workplace. However, excessive use of digital technology can lead to increased stress in the workplace. High levels of stress due to this workload can threaten productivity, well-being, and overall organizational effectiveness (Annisa Maharani et al., 2023).

(Laura et al., 2024) discuss how productive traits can help leverage technology to increase work productivity. Some productive traits include self-confidence, responsibility, a love of employees, forward-thinking, adaptability, and positive contributions to the environment. Those possessing these traits tend to be better at utilizing new technologies in their work processes, resulting in increased productivity. For example, innovative and flexible individuals tend to embrace new technologies and use them to improve efficiency and carry out tasks. These results also demonstrate the importance of improving one's technological skills so they can adapt to the ever-changing tools and systems in the workplace. Overall, these productive individual traits are crucial for leveraging technology to achieve higher levels of productivity.

Overall company performance is significantly influenced by employee productivity. When employees are more productive, they increase business value, boost profits, strengthen competitiveness, and better meet customer needs. Conversely, less productive

employees can lead to poor service, higher costs, and lost customers. To improve employee productivity, human resource management plays a crucial role in ensuring employees have the appropriate skills, tools, support, and work environment to maximize their potential. This includes establishing training and development programs, conducting regular performance reviews, maintaining a healthy work-life balance, and implementing incentive and reward systems that encourage workers to achieve high levels of productivity (Dadang et al., 2024).

Improving employee productivity is crucial to organizational success. Productive employees improve a company's operational efficiency and drive progress, innovation, and long-term success. By increasing employee productivity, companies can gain a competitive advantage, strengthen their market position, and better meet customer demands. Human resource management is crucial for creating a supportive work environment that enables employees to be more productive. This includes identifying and developing employee skills, implementing flexible work policies, encouraging a healthy work-life balance, and utilizing appropriate technology to increase productivity and operational efficiency (Dadang et al., 2024).

Improving employee productivity is key to organizational success. Human resource management plays a crucial role in managing this dynamic, identifying opportunities, and addressing challenges to achieve optimal productivity levels. The success of an organization or company in achieving its stated goals is significantly influenced by employee productivity. Therefore, it is crucial for organizations to pay attention to employee productivity, especially in the digital era. Employee well-being is a key pillar directly impacting productivity, retention, and corporate image. In a workplace, employee well-being encompasses various aspects that support their physical, mental, emotional, and social health. Mental well-being, for example, encompasses employees' psychological well-being, including happiness, satisfaction, and mental resilience. Employees who feel mentally well tend to be more focused, creative, and productive, thus driven to deliver their best results.

The role of human resources (HR) is crucial because employees interact directly with various other company resources, such as capital, materials, and methods. Therefore, to support the role of HR in a business institution, technological support is essential (Fitri, 2024). In today's digital era, HR development is increasingly crucial for companies in improving personnel quality, productivity, and creating added value. Therefore, companies are required to continuously develop employee skills and knowledge to survive amidst the dynamics and complexities of the digital era. Virtual coordination between employees in carrying out tasks has become increasingly important. The application of digital technology in various aspects of human resource management, such as recruitment, training,

development, and performance evaluation, has shown a significant impact in increasing company efficiency and effectiveness (Fitri, 2024).

According to (Fajriyani et al., 2023), technological developments in this modern era have had a significant impact on information delivery and data management in various fields, making them easier and smoother. Human resource management processes are now more manageable, with information technology playing a role in the collection, retrieval, management, dissemination, storage, and presentation of information. HR management needs to utilize this technology to increase workforce productivity and improve employee performance appraisal processes. Digital interactions with the workforce, such as in the evaluation of technological capabilities and structured teaching, are also crucial for finding and measuring human resource skills virtually (Fitri, 2024).

The digital era has opened up opportunities for remote collaboration and increased productivity in the workplace. Organizations can now utilize various online collaboration tools and virtual work platforms that enable employees to work efficiently, unhindered by time and location constraints. This increased productivity can also foster employee loyalty, helping organizations attract and retain top talent. Human Resources (HR) are also expected to take an active role in self-development and competency enhancement, including through self-learning, networking, and leveraging existing technology. The advent of the digital era has brought changes in organizational structures and demands on HR functions, particularly in developing a culture of innovation, interdepartmental collaboration, and the use of technology to improve organizational productivity and performance. In this regard, all employees are expected to optimally utilize technology to carry out their duties effectively and efficiently. On the other hand, emotional well-being is related to managing emotions and interpersonal relationships. Employees who feel emotionally supported are more motivated and committed to their duties and responsibilities (Laura et al., 2024).

Employee well-being directly impacts company productivity. When employees feel appreciated and supported, they are more likely to contribute optimally. Optimal well-being makes employees feel valued and motivated to work. By investing in well-being, companies can retain a talented and experienced workforce. Employees who feel valued and given opportunities for development are more likely to stay with the organization. Companies that care about their employees are able to build a positive image, leading to increased attractiveness in a competitive marketplace and strengthening their reputation. Employee well-being is not just about salary but also encompasses quality of life and satisfaction in carrying out daily tasks. By prioritizing well-being, companies can achieve higher levels of productivity and build a good reputation (Dadang et al., 2024). Furthermore, management must pay attention to the emotional health of employees by creating a friendly and healthy

work environment. Research shows that effective HR management can help companies achieve their goals more easily (Khaldun et al., 2025). One way to address well-being issues in this sector is by providing stress management training. Furthermore, to measure productivity, quality indicators such as innovation and creativity should be considered in addition to output quantity. Methods like this can help companies assess employee performance more comprehensively.

Overall, human resource management that is able to adapt to the latest technological developments in the current era of industrial evolution is very important (Annisa Maharani et al., 2023). Employees often experience work-related tension, which can be interpreted as stress (Annisa Maharani et al., 2023). Although the use of information and communication technology has many positive impacts, there are also several disadvantages, one of which is the increased vulnerability of workers to digital stress due to excessive technology use. Therefore, serious efforts are needed to overcome this digital stress (Annisa Maharani et al., 2023).

One form of stress that arises from technological advancement is called "technostress." This is a state of discomfort experienced by individuals when they are unable to adapt to technological changes or when they are overly dependent on technology, resulting in both physical and psychological discomfort. Some factors that trigger technostress, according to Lisa Ennis, include the rapid pace of technological development, lack of standards, minimal individual training on the technology and equipment used, dependence on technology, increased workload, and changes in employee roles. Tarafdar, Tu, Ragu-Nathan, as cited by Ahmad, identified five main causes of technostress, namely techno-overload, techno-invasion, techno-complexity, techno-insecurity, and techno-uncertainty. To overcome this problem, employees can implement coping strategies, which are divided into two categories: long-term strategies that are considered more effective in reducing the impact of technostress, and short-term strategies that are quite useful for managing technostress temporarily (Annisa Maharani et al., 2023). Although some individuals experiencing technostress are still able to maintain good performance, companies still need to commit to improving employee well-being in the workplace. Employees can experience decreased performance if they experience burnout, a distinct condition closely related to the work environment (Annisa Maharani et al., 2023). When dealing with technostress with high levels of stress, it is crucial for management to manage workload allocation and evaluate employee performance. This step aims to prevent employees from becoming trapped in work that exceeds their capabilities.

Furthermore, companies also need to pay attention to work-life balance and employee well-being (Suhardiman & Saragih, 2022). Employee productivity can be affected

by a lack of supporting facilities, such as computers and internet connections, as well as the boredom that arises from being in the same environment for long periods (Ulwiyah, 2023). Repeated and continuous use of digital media can also trigger a condition known as "digital fatigue," which negatively impacts physical and mental health (stay at home, work from home, school from home, etc.). To address this issue, stress management training can be implemented to reduce stress levels among employees (Annisa Maharani et al., 2023). Improving user-friendliness (Annisa Maharani et al., 2023) by providing mental health services for employees is an important step in increasing their productivity. However, many challenges remain, particularly the negative stigma against individuals experiencing mental health disorders and daring to seek help from professionals. To overcome this, a series of strategic steps are needed.

First, implementing programs aimed at increasing knowledge and experience about mental health disorders is crucial. Furthermore, individual awareness of their own mental health conditions and encouragement to seek help from appropriate professionals must be increased. Furthermore, it is crucial to foster a more positive perspective and reaction to those experiencing mental health disorders. This can reduce stigma and support increased employee productivity (Anisah, 2020). The use of telemedicine platforms, proven effective and with high-quality systems, can be an alternative for mental health consultations (Putri et al., 2021). One step that can be taken to maintain mental health and reduce stress among employees is to implement an employee assistance program (EAP) as an organizational service, which aims to reduce employee stress levels (Yarmmani et al., 2021). Furthermore, leaders also have a responsibility to pay attention to and motivate employees to be more disciplined in time management. The greater the willingness and commitment of employees to manage their time well, both between work and personal life, the higher the productivity they can achieve (Pasaribu & Anshori, 2021).

CONCLUSION

Human resource management plays a highly strategic role in improving employee productivity and well-being in the digital age. The use of technology in managerial processes brings various benefits, such as operational efficiency, real-time data access, and flexibility in work. However, this also creates new challenges, such as technostress and digital fatigue. To address these dynamics, companies need to formulate adaptive HR management strategies, including technology training, managing work-life balance, and providing adequate psychological support. Employee well-being is a crucial foundation for maintaining productivity and loyalty. Therefore, companies that can create a supportive work

environment, both physically and emotionally, will have an advantage in facing competition in the digital age.

REFERENCES

- Annisa Maharani, Ahmad Zeifuddin, Dyah Ayu Safitri, Hilya Sania Rosada, & M Isa Anshori. (2023). Employee Mental Well-Being in the Digital Era: The Impact of Technology on Employee Mental Well-Being and Efforts to Overcome Digital Stress. *Journal of Economics, Business and Management*, 2(4), 113–130. <https://doi.org/10.58192/ebismen.v2i4.1385>
- Arifianti, R., Mohammad, D., & Alexandri, B. (2017). Activation of Creative Sub-Economic Sector in Bandung City. *Jurnal AdBispreneur*, 2(3), 201–209.
- Dadang, AM, Munir, S., & Rinaldi, F. (2024). Improving Employee Productivity: Opportunities and Challenges of Human Resource Management in the Society 5.0 Era. *Edunomika*, 8(2), 1–9.
- Djuwita, TM (2011). Human Resource Development and Employee Work Productivity. *MANAGERIAL Journal*, 10(2), 15–21. <https://doi.org/10.17509/manajerial.v10i2.2161>
- Fajriyani, D., Fauzi, A., Devi Kurniawati, M., Yudo Prakoso Dewo, A., Fahri Baihaqi, A., & Nasution, Z. (2023). Challenges of Human Resource Competence in Facing the Digital Era (Literature Review). *Journal of Information Systems Management Economics*, 4(6), 1004–1013. <https://doi.org/10.31933/jemsi.v4i6.1631>
- Fitri, AO (2024). The Role of Human Resource Management in Increasing Productivity in the Creative Industry. *Indo-Fintech Intellectuals: Journal of Economics and Business*, 4(3), 1034–1046. <https://doi.org/10.54373/ifijeb.v4i3.1517>
- Jennatul Ma'wa, AC (2025). The Role of Human Resource Management in Improving Employee Work Productivity in the Digitalization Era. *EKOMA: Journal of Economics, Management, and Accounting*, 3633–3638.
- Khaldun, F., Faisal, M.G., Nasir, M., & Sutomo, D.A. (2025). Qualitative Review: The Influence of Work Culture on Employee Well-being and Productivity in the Creative Economy Sector. 8(1), 640–648. <https://doi.org/10.56338/jks.v8i1.6982>
- Laura, K., Lee, F.V., Pranoto, E., Gunawan, K., Lim, K., Fransisca, C., & Christine, N. (2024). The Impact of Technological Developments on Human Resource Management. *Gudang Jurnal Multidisciplinary Ilmu*, 2(2), 31–34. <https://gudangjurnal.com/index.php/gjmi%0AE-ISSN>
- Pasaribu, J., & Anshori, MI (2021). The Implementation of Work From Home on Work Productivity (A Study of Employees of PT Berlian Jasa Terminal Indonesia). *INOBI*:



- Indonesian Journal of Business and Management Innovation, 4(3), 409–423.
<https://doi.org/10.31842/jurnalinobis.v4i3.193>
- Pratama, Muhammad Setya; Mubaro, Sri; Afriansjah, R. (2021). Journal of Innovation. Journal of Innovation, 17(1), 118–126.
<https://journal.feb.unmul.ac.id/index.php/INOVASI/article/view/9135>
- Putri, CA, Yahya, ES, & Kania, R. (2021). Attitudes and Behavioral Intentions of Millennials in Adopting Telemedicine Platforms for Mental Health Consultation Services. Proceedings of Industrial Research ..., 4–5.
- Rijal, S., et al (2025). The Influence of Economic Literacy, Entrepreneurship Education and Entrepreneur Mindset in Improving The Competitiveness of Small and Medium Enterprises" (SMES) with Business Performance as a Moderator Variable. Vol. 6 No. 1 (2025): International Journal of Business, Law, and Education.
<https://www.ijble.com/index.php/journal/article/view/1049>
- Safrin, S., & Sulaiman, S. (2021). The Effect of Job Satisfaction on Employee Productivity at the Mattoangin Garment and Printing Business in Makassar City. Economy Deposit Journal (E-DJ), 2(2), 21–27. <https://doi.org/10.36090/e-dj.v2i2.826>
- Suhardiman, M., & Saragih, S. (2022). Technostress and Work-Life Balance in Employees: Job Satisfaction as a Mediating Variable. INOBIS: Indonesian Journal of Business and Management Innovation, 6(1), 30–45.
<https://doi.org/10.31842/jurnalinobis.v6i1.255>
- Ulwiyah, MS (2023). Journal of Management Science Studies. Journal of Management Science Studies, 3(3), 473–479. <https://journal.trunojoyo.ac.id/jkim%0APeraruh>
- Yarmmani, Anindita, SM, & Hasanati, M. (2021). Employee Assistance Programme (EAP): Organizational Services in Reducing Employee Stress During the COVID-19 Pandemic. Proceedings of the National Conference of Nahdlatul Ulama University of Indonesia, 1(1), 2021.
<https://journal.unusia.ac.id/index.php/Conferenceunusia/article/view/192>

