



## **OPTIMIZING EMPLOYEE PERFORMANCE: THE ROLE OF HUMAN RESOURCE MANAGEMENT**

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### **Abstract**

The current research is motivated by problems related to the meaningful role of human resources as a determinant of achieving successful company goals through the contribution of their performance. The purpose of this research is so that human resource management and SWOT analysis results in improving employee performance can be known. Qualitative methods are utilized into the research. Hotel ABC is the subject of this research which is aimed at hotel managers, employees and visitors. There are three forms used as data collection methods ranging from interviews, observation, documentation. The analysis uses descriptive qualitative. The results of this study reveal that first the hotel owner in carrying out employee recruitment is carried out directly by the hotel owner using files and interview tests to select employees. Needs related to existing positions at ABC hotel have been occupied by employees according to their qualifications. As for the form of direction and guidance and procedures for providing services to guests included in the employee training and development process, the manager has been given. Work quality, cooperation, creativity, discipline, and responsibility are part of the performance appraisal. The compensation received by employees in the form of salary is also not the same because it depends on the type of work and responsibilities. The results of the SWOT analysis certainly show the weaknesses, strengths, threats and opportunities in improving employee performance.

**Keywords:** human resource management, employee performance, SWOT analysis.

## Introduction

An organization's operational success relies on the effective management of its human resources, as emphasized by contemporary discussions on human resource management (HRM). The impact of human resources on organizational effectiveness surpasses that of other resources. The proficiency in managing human resources plays a pivotal role in determining the future success of an organization. These resources are strategically aligned to attain predetermined organizational goals (Arifin et al., 2022). A company's resources, including human resources, are classified into six types: human, financial, material, technological, procedural, and market resources. Human resources, in particular, are considered invaluable and significantly contribute to achieving organizational objectives (Abdullah et al., 2021). Hence, meticulous attention to human resources is imperative for companies aiming to enhance overall productivity. High productivity is essential for meeting predefined company targets.

Excellent work performance, coupled with unwavering commitment, is crucial for a company's success and profitability. In contrast, poor employee performance can detrimentally affect a company's performance. Thus, effective employee management is crucial to optimize performance. Dessler (2015) defines employee performance as the degree of success achieved by employees within a specified period in comparison to predetermined standards, targets, or criteria. In both manufacturing and service industries, high employee performance is a universal expectation.

The hospitality service industry, particularly hotels, experiences intense competition due to the growing consumer demand for travel services. To thrive in this competitive landscape, organizations must deliver high-quality services to satisfy consumers (Putra et al., 2023; Retnowati et al., 2023). Professional and reliable HRM is indispensable for cultivating high-performing employees, providing a competitive edge. This assertion is supported by research findings from Alami et al. (2015), Davidescu et al. (2020), and Panjaitan et al. (2023).

Leadership awareness is crucial in shaping high performance, with company leaders offering guidance and support to employees. By actively participating in directing employees' tasks, leaders contribute to the formation of a high-performance culture (Shaukat et al., 2015).

The intricacies of human resource management (HRM) are shaped by numerous influencing factors, responding to the contemporary developments and progress in today's dynamic environment. Both external and internal factors contribute to the complexity of HRM. External factors encompass environmental dynamics, rapid technological advancements, and economic uncertainties. Internal factors involve the demand for skilled employees, compensation costs, labor-management conflicts, legal considerations, and organizational cultural aspects. Human resources stand as the central focal point within an organization.

In line with the visions for the benefit of humanity and the execution of missions managed by humans, organizations, as articulated by Dessler (2015), position humans as strategic factors in all organizational activities. The growing significance of HRM is underscored by its acknowledged strategic role in achieving organizational competitive success. Human managerial roles play a decisive role in the success of goal attainment efforts (Mardikaningsih et al., 2022).

The attainment of a competitive advantage is heavily reliant on innovation, which, in turn, is influenced by motivational factors and employee morale. Employee attitudes are shaped by management policies and practices, emphasizing the pivotal role of HR specialists in aligning organizational goals (Ahmad et al., 2014). Primacy of innovation emerges as a crucial element in responding to change and meeting evolving market demands (Kiley et al., 2015). Organizations fostering innovative behavior benefit from increased productivity and enhanced competitiveness (Putra & Mardikaningsih, 2022), fostering a work culture that values employee development.

HRM has evolved beyond mere administration and operations, assuming a more strategic role in organizational dynamics (Jabbour & Santos, 2008; Infante & Darmawan, 2022). The contemporary approach to HRM incorporates SWOT analysis, offering a systematic identification of factors to formulate organizational strategy (Kolbina, 2015). SWOT analysis, founded on logic, maximizes strengths and opportunities while minimizing weaknesses and threats (Dessler, 2015). This method provides a comprehensive framework for assessing management, strategy, direction, or position in various contexts, guiding recommendations to leverage

strengths, exploit opportunities, mitigate weaknesses, and address threats (Granulo & Tanović, 2020).

Recognizing the evolving corporate landscape, organizations must emphasize the importance of HRM programs to address the changing work environment. The strategic management of human resources becomes essential for acquiring capable individuals in the right roles, locations, and times to achieve organizational goals. Consequently, this study explores "Optimizing Employee Performance: the Role of Human Resource Management" to unravel the dynamics of HRM in response to the developmental shifts in the corporate realm.

## Method

The method in this research is using qualitative research. Data sources for this research were obtained from literature studies and field studies. The location used as a research site in this study is located at ABC Hotel. The sampling technique used by researchers is purposive sample. The source of informants in this study consisted of the head of the hotel management, hotel managers, hotel employees, and guests/customers. This source of informants was chosen on the grounds that they know more about the ins and outs and activities and management at Hotel ABC. To obtain the data needed in this research and to discuss existing problems, it will use observation, interview and documentation techniques. In this study, using descriptive analysis method, which is a method aimed at solving existing problems in data grouping to draw conclusions. In addition, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis techniques will also be used. The SWOT analysis technique will assist in evaluating internal factors (strengths and weaknesses) and external factors (opportunities and threats) that can affect the performance and strategy of Hotel ABC.

In identifying the hotel's strengths, the research will assess aspects that provide a competitive advantage, such as superior service, adequate facilities, or effective management policies. Conversely, Weaknesses will be explored to understand areas that need improvement, such as lack of employee training or potential policy discrepancies. Furthermore, the analysis will focus on opportunities that Hotel ABC can take advantage of, such as industry trends, changes in consumer behavior, or the

development of new services. On the other hand, threats from the external environment, such as intense competition, regulatory changes, or shifting market trends, will also be identified.

By applying SWOT analysis techniques to data obtained from literature studies, interviews, and field observations, this research can produce a holistic picture of Hotel ABC's position. The results of this SWOT analysis will help formulate the right strategy to optimize the potential for success and overcome the challenges faced by the hotel.

## Result and Discussion

Human Resource Management (HRM), also known as staffing or personnel management, is a distinct branch within the field of management. It encompasses the handling of various issues related to employees, labor, and workforce to facilitate an organization or company's activities in achieving predetermined goals. HRM plays a pivotal role in enhancing employee performance at ABC Hotel, implementing tailored policies for this purpose.

Initiating from the Human Resources Recruitment and Selection System, it is evident that human resources constitute a critical asset for any company. ABC Hotel is committed to elevating the quality of its human resources, believing that a robust workforce contributes to the hotel's superiority and enhances overall competitiveness (Darmawan et al., 2020). The recruitment method employed involves internal recruitment, wherein job vacancy information is disseminated through internal channels within the hotel and subsequently extended to external sources related to hotel employees. Additionally, external recruitment is conducted through print and advertising media.

Following the advertising of job vacancies, the subsequent stage involves the selection of potential human resources. The management at Hotel ABC meticulously determines the vacant positions and labor requirements tailored to specific needs. The selection process aims to filter applicants precisely according to desired criteria. Typically, the selection process consists of two stages - initial administrative selection involving application file scrutiny and subsequent interview tests, psychological assessments, and medical tests. Approval by company authorities is contingent on meeting predefined criteria such as good behavior, moral

standing, foundational skills in the relevant field, and readiness to collaborate within a team-oriented work environment.

This strategic approach to HRM highlights the hotel's commitment to nurturing a workforce that aligns with its objectives and values, reflecting a systematic process aimed at optimizing employee performance.

The Human Resource Placement System is a systematic process involving the assignment of tasks and responsibilities to prospective employees who have successfully passed the selection process. This assignment is conducted within predetermined parameters, requiring individuals to shoulder the responsibilities, risks, and potentialities associated with their designated roles, along with the requisite authority. The governing policy encompasses key facets of human resource management, such as position evaluation, recruitment and selection, employee development, compensation, and guidelines for employee dismissal.

In the allocation of employee work positions, human resource management prioritizes considerations of work experience, expertise, and abilities. The selection process is comprehensive, including position evaluation, recruitment, and selection, and culminating in employee development initiatives.

Human Resources Training and Development are integral components of this process, ensuring a thorough enhancement of human resources. ABC Hotel is unwavering in its commitment to continually develop employee potential through internal learning and training procedures. The training modules span various domains, ranging from guest service and workplace environment maintenance to specific roles like receptionists. This comprehensive training aims to bolster employee knowledge and skills, thereby enhancing overall work productivity (Eddine et al., 2023).

The hotel acknowledges human resources as a crucial asset, vital for maintaining a competitive edge and supporting business strategies. Continuous efforts are directed towards elevating the quality of human resources, grounded in the belief that this enhancement contributes significantly to the company's competitiveness. ABC Hotel places a high value on employee welfare, linking it closely to performance achievements. Recognition and rewards are integral to this approach, where exemplary

work performance is acknowledged, and employees are duly rewarded for achieving company targets. This aligns with the company's policy, fostering motivation, and building employee loyalty. Compensation, especially in the form of salaries, is tailored to the type of work and responsibilities undertaken by individual employees.

The performance evaluation method employed by hotel managers for employees is a multifaceted process encompassing several assessment criteria:

1. **Quality of Work:** This metric evaluates an employee's ability to proficiently complete tasks. It is gauged through the individual's competence and sense of responsibility in executing assigned duties. The quality of work pertains to the adeptness of human resources in task execution, reflecting their capability and accountability for the entrusted responsibilities.
2. **Creativity in Task Completion:** Recognizing the importance of creativity, this measure assesses an employee's capacity to generate innovative ideas in task execution. Creativity is valued for its role in enhancing work approaches and problem-solving.
3. **Cooperation:** Emphasizing teamwork, this assessment considers an employee's ability to collaborate effectively within a group. Given the diversity of skills and abilities among team members, coordinated efforts under leadership are vital for achieving collective goals.
4. **Work Discipline:** Regarded as integral to the company, work discipline ensures orderliness and smooth operational execution. It is crucial for maintaining regulatory compliance and optimizing outcomes. Employee adherence to regulations and work instructions is evaluated, with penalties imposed for non-compliance.
5. **Responsibility:** Acknowledging responsibility as a fundamental attribute, this criterion evaluates an employee's sense of accountability. Each employee is expected to take responsibility for their work, and in the event of errors, they are required to assume accountability for corrective measures.

This comprehensive performance evaluation approach considers various dimensions, fostering a work environment that values competence, creativity, collaboration, discipline, and responsibility among its workforce.

To assess the internal and external factors influencing ABC Hotels, a strategic analysis was conducted, delving into strengths, weaknesses, opportunities, and threats (SWOT) to comprehend the hotel's competitive position. The hotel consistently endeavors to leverage its strengths and address weaknesses for sustained competitiveness and optimal guest service. Internal factors, considered strengths and weaknesses, play a pivotal role in shaping the hotel's performance, while external factors, comprising opportunities and threats, pose challenges and prospects.

Internal Weaknesses impacting employee performance at ABC Hotel include issues such as employee discipline deficits, familial-based recruitment practices, limited parking space, insufficient staff leading to vacant positions, and instances of workload duplication among employees.

An overview of external factors reveals various opportunities and threats that ABC Hotel faces. Opportunities external to the organization that could bolster its objectives include a substantial market segment, a loyal customer base, expanding promotional initiatives, and nurturing positive customer relationships. Conversely, threats emanate from external conditions such as competition from rival hotels and the rapid evolution of technology.

The ever-evolving technological landscape has significantly reshaped the business environment, presenting a myriad of opportunities along with unique challenges for enterprises. The continual advancements in technology not only facilitate more streamlined and efficient operations but also play a pivotal role in enhancing competitiveness and expediting various business processes. Embracing these technological advancements becomes imperative for staying relevant and competitive in today's dynamic market.

However, alongside the benefits, it is essential for the hotel to maintain a vigilant stance to address potential threats that may arise in this technologically-driven era. Security concerns, particularly in the realm of data and information, necessitate robust measures to safeguard against potential breaches. Adequate employee training becomes crucial to ensure that the workforce remains adept at utilizing new technologies and tools, minimizing the risks associated with technological transitions.

Moreover, adaptability to rapid technological changes is a key factor that can determine the hotel's sustained success. The ability to stay agile and responsive to emerging technologies positions the hotel to harness innovation effectively, optimizing operational processes and maintaining a competitive edge.

In summary, while technological advancements offer numerous advantages, it is essential for the hotel to strike a balance between leveraging opportunities and addressing challenges. A strategic and proactive approach to technology integration, encompassing security measures, employee training, and adaptability, positions the hotel for sustainable growth in an increasingly digitalized business landscape.

In summary, the strategic analysis recognizes the interconnectedness of internal and external factors, guiding ABC Hotel to capitalize on strengths and opportunities, address weaknesses, and navigate threats effectively. This comprehensive approach aims to position the hotel strategically within the dynamic business environment.

## Conclusion

Following the comprehensive analysis of human resource management in enhancing employee performance at ABC Hotel, several key findings and conclusions emerge:

### 1. Human Resource Management Processes:

In the recruitment and placement process, the hotel employs both internal recruitment methods and print media advertising to attract potential employees. The selection criteria encompass good behavior, essential skills, and the ability to work effectively in a team. The hotel's training and development initiatives concentrate on providing guidance to employees in delivering excellent guest service and ensuring a hygienic environment. Performance appraisal involves a comprehensive evaluation of employees, considering aspects like work quality, creativity, cooperation, discipline, and responsibility. For compensation, the hotel adopts a dual approach. Direct compensation is provided through monthly salaries, while indirect compensation takes the form of allowances or bonuses, especially for those who meet specified targets.

## 2. SWOT Analysis Results:

The hotel's strengths lie in its well-equipped and comprehensive facilities, competitive pricing, strategic location, emphasis on cleanliness, and positive collaboration among employees. However, weaknesses are noted, including challenges related to employee punctuality, a tendency toward family-based recruitment, limited parking space, and a shortage of staff. Opportunities for improvement involve tapping into a large market segment, nurturing a loyal customer base, exploring promotional avenues, and emphasizing the significance of building strong customer relationships. In terms of threats, the hotel is mindful of competitive forces posed by other establishments in the hospitality sector and the ever-evolving landscape of technological advancements.

## 3. Conclusions and Recommendations:

Addressing weaknesses within the hotel, including employee tardiness and family-based recruitment practices, is crucial for enhancing overall efficiency and effectiveness in daily operations. To bolster administrative and recording management, efforts should be directed towards preventing fraud and ensuring the accuracy of data collection. Regular evaluations of guest and room usage reports are recommended to uphold transparency and reliability. Encouraging employees to adhere to rules and enhance discipline, especially concerning attendance, is essential for fostering a more organized work environment. This approach contributes to the smooth functioning of daily tasks and responsibilities within the hotel.

In summary, these insights lead to two relevant recommendations: strengthening administrative processes and fostering a more disciplined workforce to maximize the hotel's facilities and maintain competitiveness in the dynamic market.

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