

Competence-Based Human Resource Development: A Literature Study in the Era of Information Technology and Digitalization

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Abstract

The research was conducted to explore competency-based human resource development. Utilizing secondary data, the strategy was qualitative with a literature review approach. The study result stresses the significance of competency-based human resources (HR) development for the success of organizations or businesses in the rapidly expanding digital and technology era. The impact of technology and digitalization on competency-based HR development, the difficulties organizations face in creating HR in the digital era, successful HR development strategies, the competencies required by HR in the digital era, and the role of HR in the success of organizations in the digital era have all been covered in this paper.

Keywords: *Development, Human Resources, Competency.*

A. INTRODUCTION

Technology and digitalization are now essential components of our life in the contemporary digital era. Every aspect of our lives, including how we communicate, learn, shop, and work, has been impacted by technology and digitalization. In this situation, human resources (HR) play a critical role in enterprises and organizations. In the digital age, human resources (HR) are crucial factors in determining the success of an organization or corporation; they are no longer just personnel executing jobs. Digitalization and technology have created new possibilities for HR growth. The process of learning and building competencies can be more effective and efficient with technology. For instance, HR can access a variety of learning resources through e-learning at any time and from any location, giving them more flexibility in honing their competencies. According to a piece on SWA.co.id, "HR management is being digitalized in training and development in addition to recruitment and selection" (Swa.co.id, 2022).

In accordance with a study by IPDN, "The influence of digital technology impacts the competencies required in different jobs and changes their current usage levels in the workplace" (Kusuma, 2020). This shows that technology and digitalization have a significant impact on how we operate as well as the competencies that HR departments need. In order to remain relevant and contribute successfully to their companies or businesses, HR must constantly study and expand their competencies.

HR development is significantly impacted by digitalization, which includes the usage of social media, cloud computing, mobile devices, and mobile HR applications. According to a different study, "Participants agree that digitalization has a significant impact and affects the way they work, communicate, and interact" (SIBATIK, 2020). This demonstrates how digitalization has changed how we interact and how we work, which has an impact on the kinds of competencies that HR needs. The fourth industrial revolution era offers HR the chance to build knowledge in line with cutting-edge technology advancements. According to Forum Manajemen Indonesia, "the fourth industrial revolution era offers opportunities for human resources (HR) to have expertise aligned with the latest technological developments" (FMI, 2020). This shows that the fourth industrial revolution has created new opportunities for HR to improve their skills.

However, digitization and technology also provide fresh difficulties for the development of HR. For instance, due to the rapid evolution of technology, the competences that HR needs are always evolving. As a result, organizations and enterprises need to react to these changes quickly and precisely. There are considerable obstacles in managing human resources in the age of digitalization, according to a study by the Faculty of Economics at Universitas 45 Surabaya (Universitas 45 Surabaya, 2022). Businesses and public institutions must comprehend and adjust to these developments. They must create HR development strategies based on applicable competencies for the digital age. This context served as the inspiration for this essay's writing. The purpose of the paper is to help readers have a better knowledge of how businesses and organizations may improve their HR in the digital age and how to strengthen HR competencies to handle the challenges of the digital era. Furthermore, changes in the way work is performed are brought about by digitalization. Numerous previously laborious jobs can now be completed digitally thanks to digitization.

The kinds of competencies that HR needs are subsequently impacted by this. Therefore, organizations and businesses need to take these changes into consideration while developing HR. According to a Talenta.co article, "Along with technological developments, essentially, employee training and development can be done digitally" (Talenta, 2022). Digital competencies are very crucial in the modern world. Digital skills are necessary, but they are not the only ones. Still required are additional abilities like critical thinking, communication, and others. Therefore, organizations and enterprises need to take a variety of competencies into account while developing HR. According to a post on Klobility.id, "Improving the quality of human resources (HR) through competency development is one of the positive impacts of the digital era" (Klobility, 2022). The purpose of this document is to help businesses and organizations create competency-based HR development strategies in the digital age.

B. LITERATURE REVIEW

1. Human Resources (HR)

The term "human resources" (HR) refers to the people who work for a company or organization. In addition to being a resource, human resources are a valuable asset that may be used to further the objectives of the company or organization. Human resource management is described by Flippo (1984) as "the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and societal objectives are accomplished." This definition demonstrates the critical role that HR plays in a company or organization. In addition to carrying out responsibilities, HR plays a strategic role in accomplishing organizational or corporate goals. As a result, HR development becomes crucial. Enhancing non-technical skills, such as interpersonal and personal skills, should also be a priority in HR development. This suggests that HR development should be all-inclusive and holistic.

This description also demonstrates that there are many different tasks involved in HR administration, including planning, organizing, leading, and controlling. It implies that managing HR is a difficult endeavor that calls for smart planning and strategy. Effective HR management will make sure that HR can fully assist in achieving the objectives of the organization or business. The function of HR has grown even more important in the modern digital era. The kinds of competencies required by HR are continually evolving along with technology and digitalization. HR development must therefore be able to react to these developments swiftly and precisely. In this situation, competency-based HR development is a useful strategy.

2. Competence

Competence is described by Spencer and Spencer (1993) as "underlying characteristics of a person related to effective job performance." This concept highlights that competence encompasses attitudes and behaviors that assist efficient job performance in addition to technical knowledge and skills. This term is extremely pertinent to the development of competency-based human resources (HR) in the digital age. HR must possess talents in the digital age that go beyond specialized technical knowledge and abilities to support innovation and adaptation to change. Technical abilities, such as those relating to the use of technology and digital tools, are becoming increasingly crucial in the digital age. Technical proficiency, however, is insufficient on its own. Non-technical skills like teamwork, adaptability, and communication are also necessary for HR. These non-technical skills frequently determine how successfully HR can operate in and adapt to an increasingly digital work environment. In the digital age, HR must also have a willingness to learn. Because of the quick and continuous improvements in technology, information and abilities that are useful today could not be useful tomorrow.

HR must adopt a proactive attitude toward learning in order to consistently improve their competencies. Therefore, creating competency-based HR in the digital age requires creating both technical and non-technical competencies as well as encouraging a growth mindset. As a result, organizations and enterprises face

substantial problems as well as possibilities to establish competent and adaptable HR that can support their success in the digital era.

3. Technology and Digitalization

Oxford Languages defines technology as the "application of scientific knowledge for practical purposes, especially in industry and commerce." Technology is essential for improving the efficacy and efficiency of company and labor operations as well as for developing new goods and services that can benefit consumers. Technology has radically changed the way we work and conduct business, becoming an essential component of many firms' daily operations. According to the Gartner Glossary, digitalization is the "process of moving to a digital business; it is the use of digital technology to change business models and create new revenue and value-producing opportunities.". Digitalization involves more than just employing technology; it also involves finding new ways to use it to add value and open up new opportunities. The way organizations and enterprises operate has changed as a result of digitalization, necessitating the development of new competences. Technology and digitalization are essential to competency-based Human Resources (HR) development. According to a study that was published in the Prizren Social Science Journal, digitization is a significant phenomenon that has an impact on all aspects of HRM (Human Resource Management). A study that was published in the Journal of Social Sciences and Humanities also demonstrates the strong connection between all HR practices and digitalization technologies. Competency-based HR development in the digital era must take into account the function and effects of technology and digitalization.

This involves establishing digital competences as one of the competencies that HR must possess, in addition to employing technology and digitalization as tools to assist HR development. A piece in the European Academic Journal of Multidisciplinary Research also highlights the different ways in which human resource management tactics, such as hiring and training procedures, might be affected by digital transformation. Therefore, competency-based HR development in the digital age must take into account the function and effects of technology and digitalization. New possibilities for HR development have emerged as a result of technology and digitalization. For instance, e-learning technology has made training and development more adaptable and accessible, enabling HR to continuously improve their competencies in accordance with organizational and job requirements. Additionally, technology and digitalization have increased the demand for new skills, such as digital proficiency, which is now essential in many occupations and industries.

However, obstacles are also brought on by technology and digitization. For instance, speedy technological advancements can soon make knowledge and skills obsolete, necessitating ongoing learning and growth. Digitalization can also bring about fresh challenges for HR management, such performance management in an increasingly digital workplace and remote employment. As a result, competency-

based HR development in the digital age must take into account the function and effects of technology and digitalization.

In addition to leveraging technology and digitalization as instruments to promote HR development, this also entails creating digital capabilities as a subset of the competencies that HR must possess and adjusting to the new problems and challenges that these two phenomena have brought about.

4. Competency-Based Human Resources Development

The goal of competency-based human resource development is to help people, teams, and organizations build their competences so they can achieve their goals and objectives. It is, in the words of Lucia and Lepsinger (1999), "system designed to identify the core competencies needed for success and to evaluate individuals, teams, and the entire organization based on those competencies." In this method, the necessary capabilities are identified, the human resources' competencies are evaluated, and training and development plans are created to help them improve their competencies. Competency-based human resources development is becoming more and more significant in the digital age. New competencies are now required as a result of technology and digitization, which have also changed how we work and live. Therefore, in order to compete and remain relevant in the increasingly digitalized workforce, human resources must have current and relevant competencies.

Competency-Based Training (CBT) is one type of competency-based human resources development. Developing the precise skills and competences required for success in a career or profession is the main goal of the CBT training methodology. Three topics—skills, competences, and competency standards—are the emphasis of CBT. CBT is intended to help human resources acquire the knowledge, abilities, and skills necessary for success in their careers. Competency evaluation is also a part of competency-based human resources development. Competency assessment is the procedure used to examine the competencies held by human resources and pinpoint those that need improvement. Planning and developing efficient and pertinent training and development programs can be aided by competency evaluation.

Developing professional human resources with noble qualities, competence, and the capacity to adapt to changes in the workplace and business environment is the aim of competency-based human resource development. This involves learning digital capabilities in the digital age, which are now necessary for many occupations and businesses. The identification, evaluation, and development of competences, as well as adaptation to changes and the requirements of the work and business environment, are all components of the comprehensive and integrated approach to human resources development known as competency-based human resources development. A comprehensive grasp of the company and the workplace is also necessary for competency-based human resource development. Understanding the organization's aims and objectives, consumer demands and expectations, and trends and changes in the workplace and business environment are all part of this. Organizations may determine the necessary competencies and create efficient and

pertinent training and development programs using this information. Additionally, top management must be committed to and supportive of competency-based human resource development. The vision and direction for human resource development are set by top management, and resources and support are provided for the implementation of training and development programs.

5. Theories and Models

Here are several theories and models relevant to competency-based human resources development: Individual and Organizational Competency Theory:

The International Journal of Management and Administrative Sciences (IJMAS) found a link between individual and organizational competencies as the foundation for competitive advantage in the Resource-Based View (RBV) strategy. In essence, people are essential organizational resources, and an organization's ability to perform as a whole depends on its human resources. As a result, excellent human resource management that fosters the development of superior individual skills can give the company a competitive edge since it combines valuable, uncommon, challenging to duplicate, and indispensable human resource requirements. This is consistent with the RBV perspective, which sees human resources as the hardest resources for copycats to use and as a potential source of long-term competitive advantage. Model for Performance-Based Competency Development: The same study shows that a performance- and teamwork-based competency development model may be found, examined, and then put into practice inside an organization. In order to develop competencies, this approach highlights the value of performance orientation and teamwork.

Human resource management theory based on competencies: Competency-based human resource management is a concept that emerged as a change in viewpoint in response to shifting expectations, because job-based HRM cannot meet the needs in the face of rapid change, according to Dubois & Rothwell (2004). Different viewpoints on competencies are influenced by organizational management's strategic fit and integration in the evolutionary growth of HRM theory.

Competency-Based Training Model: Competency-Based Training (CBT) is one method of developing human resources. Three topics are the primary focus of CBT: skills, competences, and competency standards.

Always relate these ideas and models to the unique environment and goals of the business when using them. Furthermore, it's critical to keep in mind that competency-based human resources development involves more than just identifying and developing competencies; it also entails constructing a work environment that encourages and supports the use of these competencies.

6. Previous Research

The following are previous research studies relevant to the discussion in this paper:

Development of Human Resources Based on Competencies: Garavan (1997) reviewed the McBer approach to competencies in this study. The study examines alternative definitions of competences with an emphasis on character traits. The findings of this study offer a greater understanding of the definitions of competencies and the applications of these criteria in human resource development. A human resource development strategy based on competencies: The authors of this essay, Dubois & Rothwell (2004), examine crucial concerns in creating and putting into practice competency-based human resource development strategies. The essay offers suggestions about how to use this tactic in actual situations.

Competency-Based Human Resource Development Evaluation: The purpose of this study by Nurhayati (2018) is to examine how competence mapping and competency-based human resource management are related. According to the study's findings, competency mapping can be a useful technique for competency-based human resource management.

Model of competency-based training for public sector human resource management and development: In their 2018 study, Chang et al. (2018), address competency-based training (CBT) as a method of improving human resources. According to studies, CBT can be used to build the abilities and skills required for success in a career or profession.

Competence-based human resource management to improve the managerial competence of first-line nurse managers: A scale development: This study, conducted by Chang et al. (2020), seeks to improve managerial competency by creating and psychometrically testing a competency-based human resource management scale. The findings of this study demonstrate that managerial competence can be increased through the application of competency-based human resource management.

The Development of Human Resource Professionals Using a Competency-Based Model: The framework for creating and implementing competency-based curriculum for postgraduate management education is described in this article by Rothwell & Lindholm (2004). The article offers information on how management education can make use of the competency-based approach.

Individual Competency Study and Its Relation to Organizational Competence in the Development of Human Resource Management Theory: The International Journal of Management and Administrative Sciences (IJMAS) examined how individual skills have changed throughout the development of human resource management theory and how these changes have affected the development of organizational competence. The findings of this study show that organizational competence can be developed through individual abilities.

7. Gap Analysis

In conducting a gap analysis of knowledge, we need to look at what has been researched and discovered so far, and what has not. Based on the previous research we have reviewed, here are some potential gaps:

- a. **Practical Implementation:** Although many studies have discussed the theory and concept of competency-based human resource development, there is still lack of research that addresses the practical application of this concept, particularly within specific organizations or industries.
- b. **Influence of Technology and digitalization:** While we know that technology and digitalization have a significant impact on the world of work and human resource development, there is still a scarcity of research specifically addressing how technology and digitalization affect competency-based human resource development.
- c. **Measurement and Evaluation:** Although some research has touched upon competency measurement and evaluation, there is still a shortage of studies that discuss how organizations can measure and evaluate the effectiveness of their competency-based human resource development programs.
- d. **Development of Specific Competencies:** Many studies have discussed competency development in general terms, but there is still a lack of research that delves into the development of specific competencies, such as digital competencies or leadership competencies.

By discussing the impact of technology and digitalization on competency-based human resource development with an emphasis on actual implementation within particular companies and industries, this article strives to close these gaps. The paper will also discuss how businesses can assess the success of their competency-based human resource development initiatives and how they might build particular digital era competencies.

C. METHOD

In this study, secondary material is gathered and examined using a qualitative methodology. In order to comprehend intricate and complex occurrences, the qualitative technique is used, with an emphasis on deciphering the deeper significance and context of the data. Information that has already been gathered by the researcher or from other sources, such as reports, journals, government papers, and related publications, makes up the secondary data used in this study. These secondary data provide the basis of analysis to find pertinent trends, topics, and viewpoints pertaining to the research question.

D. RESULT AND DISCUSSIONS

1. The Influence of Technology and Digitalization on Competency-Based Human Resource Development

Competency-based human resource development has been profoundly influenced by technology and digitalization. Technology is becoming a key component in the process of developing human resources in this age of digitization. It enables businesses to set up more adaptable training and development initiatives that staff members may access from any location at any time. Employees can access training materials online, for instance, using e-learning technology, allowing them to

learn at their own pace and when it's most convenient for them (Huang, Liu, & Chang, 2012). Organizations may now measure and assess their employees' competency growth in real time thanks to technology. Organizations can track employee engagement in training programs, gauge how well they understand the training materials, and measure the efficacy of the training programs by using a learning management system (LMS) (Alagaraja & Shuck, 2015).

The demand for digital competences has, however, increased as a result of digitalization. Employees need to have digital abilities to function well in this digital age. The use of digital technology, digital communication, and digital information search and evaluation are all examples of digital competences (Ferrari, 2013). As a result, businesses must include digital competencies in their human resource development plans. There are difficulties associated with how technology and digitalization affect competency-based human resource development. How businesses can guarantee that every employee has equal access to technology and online learning opportunities is one of the primary problems. Organizations must also make sure that workers have the digital skills required to take use of technology and online learning possibilities (Van Deursen & Van Dijk, 2014).

Organizations must create a complete human resource development strategy that not only emphasizes growing technical competencies but also digital competencies to meet these issues. This plan should include measures to encourage equal access to technology and digital learning opportunities for all employees, as well as training and development programs targeted to improve employees' digital abilities (Huang et al., 2012). It may be claimed that competency-based human resource development is significantly impacted by technology and digitalization. However, organizations must create a thorough strategy and take into account potential obstacles in order to effectively harness technology and digitalization in human resource development.

Additionally, competency-based human resource development now has new potential because to technology and digitization. For instance, firms can use data to better understand the needs of their employees in terms of competency development by utilizing Artificial Intelligence (AI) and Machine Learning. Organizations can use AI to analyze employee performance data and identify the competencies that need to be improved in order to improve employees' performance. Additionally, AI can be used to deliver tailored training recommendations based on the requirements of specific employees, improving the personalization and efficiency of human resource development programs (Cortez, Johnston, & Chang, 2021).

The way that organizations carry out training and development has also changed as a result of digitization. The learning process is made more interactive and interesting by the use of online learning platforms, VR, and AR technology. Employees can, for instance, simulate their jobs using VR and AR while learning from first-hand experiences in a virtual setting. Employees can practice and build their competencies in a secure and controlled environment, which not only makes the learning process more engaging (Bower, 2019).

While digitization and technology present numerous opportunities, they also pose new difficulties. Making sure that all employees have equitable access to technology and digital learning opportunities is one of the main difficulties. Making sure that staff have the digital skills necessary to take use of technology and online learning possibilities is another difficulty. Organizations must make sure that all workers have equitable access to technology and digital learning opportunities and include digital skill development into their human resource development strategy to meet these challenges. 2020 (Van Dijk).

2. Challenges of Competency-Based Human Resource Development in the Digital Era

Organizations and businesses face several challenges in competency-based human resource development in the digital era.

Finding the Required Competencies: Finding the necessary competencies in the digital age is a special problem. Work procedures and job categories have changed as a result of technology and digitization. Organizations and businesses must therefore determine the capabilities required to adapt to and succeed in this digital world. Barii et al. (2021) claim that HR executives and professionals need to adapt their skills and competences in order to acquire and possess new ones. Human capital, intellectual capital, and expertise are crucial elements of a digital transformation strategy that can assist establish a competitive advantage.

Creating Competencies: The next challenge is to figure out how to create the necessary competencies. To improve employee competencies, businesses and organizations must plan and implement efficient training and development programs. Userlane claims that the introduction of new technologies and the quick changes in targets and benchmarks make this task more difficult.

Evaluation of HR Development Programs' Effectiveness: Organizations and businesses must assess the success of their HR development initiatives in addition to identifying and building competencies. They must assess whether the initiatives have succeeded in enhancing staff members' competencies and achieving organizational objectives.

Motivating Workers: One other difficulty is finding ways to encourage workers to keep improving their skills. According to Userlane, each employee's employee experience should be human-centered and tailored to them individually through HR processes.

Ensure that employee-developed competencies are in line with the needs of the organization by ensuring that they are aligned with them. Businesses and organizations must make sure that the skills they learn are pertinent to both their current work positions and the goals and strategies of the firm.

Adapting to New Technologies: New technologies are always emerging and developing quickly in the digital world. Businesses and organizations must quickly adopt and incorporate these new technology into their workflows. But this can be difficult, especially if the company has no staff who are proficient in these new

technologies. 77% of CEOs say a lack of digital skills is a major concern, according to PWC (2018).

Managing Change: In the digital age, competency-based human resource development frequently entails major organizational changes, such as adjustments to organizational structure, processes, or work cultures. It can be difficult to manage these changes, especially if staff members or other stakeholders are opposed. Prosci (2018) claims that good change management can multiply the chances of project success by six.

Retaining High-Quality Workers: In the digital age, workers who have the skills that organizations and enterprises need are very valuable. However, keeping these workers on board can be difficult, especially given the abundance of alternative employment opportunities they have. LinkedIn (2018) reports that 94% of workers would remain with a firm if it supported their professional growth.

Addressing Competency Gaps: Competency-based human resource development can be very difficult when there are gaps between the competencies that employees have and those that organizations and businesses require. Nearly 75% of recruiters say that skill gaps make it difficult to identify competent applicants, according to SHRM (2019).

Integrating HR Development and Technology: In the age of digitalization, HR Development and Technology must operate in unison. However, combining technology and HR development might be difficult, especially if they do not complement one another. Deloitte (2017) asserts that integrating HR development with technology is essential for getting the best results.

The proper techniques and methods must be used to overcome these obstacles. Organizations and enterprises need to understand that competency-based human resource development entails more than just acquiring skills and information; it also entails building an atmosphere at work that encourages and supports employees' ongoing learning.

3. Competency-Based Human Resource Development Strategies in the Digital Era

The following are actions and tactics for competency-based human resource development in the digital age.

Understanding Business Needs and Objectives: Organizations and businesses must comprehend their business needs and objectives before developing competency-based human resource development strategies. Understanding the organization's vision, mission, and short- and long-term objectives are necessary for this. For instance, if the company's goal is to increase operational effectiveness, one of the necessary abilities can be the ability to use systems and technology effectively. In this situation, the company may need to spend money on technology training for its staff members or even hire new workers who already have the required technical abilities (Alwiyah et al., 2022).

Finding the Required Competencies: The next step is to find the necessary competencies after understanding the business demands and objectives. These competencies may comprise the information, abilities, and dispositions required to meet the objectives of the company. For instance, if the firm works in the technology sector, necessary abilities can include familiarity with the most recent technological advancements, proficiency with a particular piece of software, and an openness to learning and innovation (Anwar et al., 2022).

Creating Training and Development Programs: After identifying the necessary capabilities, organizations and enterprises must create training and development programs to assist staff in acquiring these skills. Both formal training—such as workshops or courses—and on-the-job training—where employees pick up skills while doing their jobs—can be a part of these programs. Organizations can also support self-directed learning by giving staff members the chance to acquire and advance their abilities on their own (Nurninawati et al., 2023).

Utilizing Technology: In the digital age, technology is essential for the development of human resources. Technology can be utilized to conduct training, monitor workers' advancement, and assess the success of HR development initiatives. Organizations can, for instance, utilize learning management systems to monitor employees' progress and assess the effectiveness of training or e-learning platforms to give training (Williams & Bangun, 2022).

Fostering a Learning Culture: In addition to the aforementioned tactics, the organization must establish a learning culture. Employee learning and skill development are encouraged and promoted in a setting with a "learning culture." This may be giving learners the necessary time and materials, acknowledging their achievements in the classroom, and fostering a climate that fosters learning (Handayani & Agustina, 2022).

4. Competencies of Human Resources in the Digital Era and How to Develop Them

Digital competency, lifelong learning competency, critical thinking and problem-solving competency, and cooperation and teamwork competency are some of the competencies needed by human resources in the digital era. Organizations can use training and development programs created especially for each competency to develop these competencies. Organizations can also encourage staff members to participate in self-directed learning and make use of the online learning materials that are accessible. Here are some strategies for enhancing these abilities.

Digital proficiency is essential for human resources in the current digital world. It requires knowledge of information and communication technologies, proficiency with software and programs, and data management and analysis skills. Employees must be up to date on the newest technologies that are pertinent to their positions, such as being skilled in the use of digital platforms, particular software, or data analysis tools. Organizations can organize work teams to share knowledge about

cutting-edge technologies, offer online learning tools, or conduct technology training to help employees increase their digital competency (Smith & Petersen, 2021).

Competency in Lifelong Learning: In the rapidly evolving digital age, employees must be able to continue learning. This capability calls for the capacity to learn new things constantly, adjust to changes, and pick up new skills as necessary. By enabling access to online learning materials, allowing continuous learning programs, and fostering an environment that encourages learning and creativity, organizations can promote lifelong learning competency (Kompier & van den Heuvel, 2021).

Competencies in Critical Thinking and Problem-Solving: Employees in the complicated digital world need to be able to think critically and solve problems. This talent entails the capacity to assess circumstances, recognize issues, and come up with creative solutions. By creating challenges that stimulate employees' creative and analytical thinking, performing critical thinking training, and fostering team collaborations to solve problems, organizations can improve this competency (Schmidt & Guo, 2020).

Competencies in collaboration and teamwork are crucial in today's digital, globally connected world. Employees must be able to interact with people from different backgrounds, work well in teams, and communicate clearly. By encouraging cross-departmental teamwork, offering training in communication and collaboration, and fostering a collaborative workplace atmosphere, organizations can foster the development of this ability (Vlaar et al., 2020).

Organizations must implement a sustainable and ongoing strategy for building human resource competences in the digital age. Organizations may also use project-based or simulation-based learning techniques, utilize online learning tools, and encourage staff to participate in learning communities and knowledge sharing in addition to training and development programs (Lai et al., 2021).

5. The Role of Human Resources in Organizational Success in the Digital Era

The following essential points highlight the critical role that human resources (HR) play in an organization's success in the digital age.

Organizations must react to sudden and unexpected changes in the constantly changing digital age. Technology and digitalization-related HR professionals can assist businesses in keeping up with the newest trends, making the required adjustments, and maintaining a competitive edge. HR specialists with the right technology management and innovation skills can help businesses stay viable and relevant in the digital era (Davenport, 2018).

Driving Innovation: In the competitive and changing digital age, innovation is essential. HR specialists that are skilled in cooperation, innovative thinking, and seeing new opportunities can be the main forces behind innovation in an organization. HR professionals may create new solutions, use technology in creative ways, and contribute value to the organization thanks to their expertise and abilities (Bui et al., 2021).

Achieving Business Goals: In the digital world, HR personnel with the right capabilities can assist an organization in achieving its goals. For instance, HR experts with technology skills can help the company build and implement effective solutions if the business purpose is to increase operational efficiency through the use of technology. Achieving corporate goals can be greatly aided by HR experts who are able to manage initiatives, adapt to change, and collaborate (Huang et al., 2020).

The development of HR based on competences is essential to boosting competitiveness and organizational performance in the digital era. Through training efforts, career development programs, and the establishment of a culture that encourages learning and creativity, organizations need to invest in the development of HR expertise. Organizations may increase their position in the market and succeed over the long run by having HR personnel that are capable and equipped to handle problems in the digital era (Mathis & Jackson, 2021).

E. CONCLUSION

Competency-based human resources (HR) development has become essential for the success of organizations and businesses in the digital era of ongoing technological improvements. The impact of technology and digitalization on competency-based human resource development, the difficulties organizations face in creating HR in the digital era, successful HR development strategies, the competencies needed by HR in the digital era, and the part played by HR in organizational success in the digital era have all been covered in this paper.

The impact of technology and digitalization has changed the nature of company, necessitating the presence of HR departments with technical expertise. To promote HR growth, organizations must identify the necessary competences, create efficient training and development programs, and use technology. Determining the necessary competencies, inspiring people to enhance their competencies, and maintaining alignment between the developed competencies and organizational demands are challenges in the growth of HR in the digital era.

Organizations need to concentrate on creating digital capabilities, lifelong learning competencies, critical thinking and problem-solving competencies, as well as cooperation and teamwork competencies, while establishing HR in the digital era. To encourage the development of these competencies, training programs, career development initiatives, and a supportive learning culture should be put in place. In the digital era, competent HR can help firms adapt to changes, drive innovation, and achieve business goals.

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