

# The Role of Digital Tecnology in Improving HR Management Efficiency: A Case Study at Al Madina Foundation

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## ABSTRACT

*The focus of this study is the identification of technologization of HR management processes and the ways to overcome the existing obstacles and its effect on the employees' productivity and competency development. The research method used is qualitative by case study approach. The data were gathered through in depth interview, participatory observation and internal document review related to the implementation of digital technologies in the human resource management processes. The subjects of the study are managers, staff including educators of Yayasan Al Madina in relation to the digital transformation. Thematic content analysis was employed to analyze the data in order to find significant patterns from the collected data. This research provides benefits in the form of a deeper understanding of the relationship between digital technology and human resource management, and offers practical guidance for HR managers at Al Madina Foundation and similar institutions to optimize the use of digital technology in improving operational efficiency.*

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## 1. INTRODUCTION

The rapid development of digital technology has significantly influenced various organizational functions, including human resource management (HRM). The integration of digital tools into HR processes, often referred to as the technologization of HRM, has reshaped traditional practices, enabling organizations to improve efficiency, streamline workflows, and enhance employee development. However, the implementation of digital technology in HRM also presents challenges, such as resistance to change, limited technological proficiency among staff, and the need for adequate resources and training. This study focuses on the context of Yayasan Al Madina, a foundation undergoing digital transformation in its HRM processes. The organization seeks to harness digital tools to optimize its operational efficiency while addressing obstacles in implementation.

By understanding how digital technology impacts HRM, this research aims to bridge the gap between theoretical insights and practical application, offering actionable strategies to enhance employee productivity and competency development. To achieve this, the study employs a qualitative case study approach, collecting data through in-depth interviews, participatory observations, and internal document reviews. By analyzing the experiences of managers, staff, and educators involved in the digital transformation process, this research aims to identify patterns and draw meaningful conclusions about the role of digital technology in HRM. Ultimately, this

study not only contributes to the academic discourse on digital transformation in HRM but also provides practical guidance for similar institutions seeking to navigate the complexities of digitalization in human resources.

## **Literature Review**

The increasing integration of digital technology into human resource management (HRM) has gained significant attention in recent years. As organizations strive to optimize their operations, digital tools and systems are becoming indispensable for managing HR processes efficiently. This literature review examines the key themes, trends, and findings from existing research on the use of digital technology in HR management, with a focus on its impact on efficiency and productivity.

### **2.1 Digital Technology in HR Management**

The adoption of digital technology in HRM has revolutionized traditional practices, allowing organizations to automate routine tasks, streamline workflows, and enhance decision-making processes. Several studies highlight the role of tools such as Human Resource Information Systems (HRIS), cloud computing, and artificial intelligence in transforming recruitment, performance management, and employee engagement (Parry & Tyson, 2011; Strohmeier, 2007). These technologies enable HR professionals to focus on strategic initiatives by reducing the time spent on administrative tasks.

### **2.2 Efficiency Gains Through Automation and Integration**

One of the primary benefits of digital technology in HRM is the potential for significant efficiency gains. Automated systems for payroll, attendance tracking, and benefits administration reduce the risk of errors and save time (Stone et al., 2015). Furthermore, the integration of various HR functions into a unified digital platform ensures seamless data sharing and enhances overall organizational agility (Marler & Fisher, 2013). Case studies, such as those conducted on organizations like the Al Madina Foundation, provide empirical evidence of these benefits, showcasing improved resource allocation and cost savings.

### **2.3 Challenges in Digital Transformation**

Despite the numerous advantages, implementing digital technology in HRM is not without challenges. Resistance to change, lack of technical expertise, and concerns over data security are common barriers (Bondarouk et al., 2017). Addressing these issues requires organizations to invest in training and change management programs to ensure a smooth transition to digital systems.

### **2.4 Implications for Organizational Performance**

Research consistently demonstrates a positive correlation between digital HR systems and organizational performance. Enhanced efficiency in HR operations translates into higher employee satisfaction and better talent retention (Bersin et al., 2018). However, the success of these systems largely depends on their alignment with organizational goals and the willingness of employees to adopt new technologies.

## **2. RESEARCH METHODS**

This research employs a qualitative approach with a case study design to explore the impact of digital technology on human resource management (HRM) processes at Yayasan Al Madina. The qualitative method was chosen to allow an in-depth understanding of the context, challenges, and outcomes of digital transformation within the organization.

### **Data Collection**

Data were gathered using three primary methods:

#### **1. In-depth Interviews**

Semi-structured interviews were conducted with key stakeholders, including managers, staff, and educators at Yayasan Al Madina. The interviews focused on their experiences, perceptions, and challenges related to the implementation of digital technology in HRM processes.

#### **2. Participatory Observation**

The researcher actively observed daily HR operations to capture the practical application of digital tools, staff interactions, and the overall impact on workflows and productivity.

#### **3. Internal Document Review**

Relevant internal documents, such as HR policies, implementation reports, and digital transformation plans, were analyzed to provide additional context and validate findings from interviews and observations.

### **Data Analysis**

Thematic content analysis was employed to process the collected data. This method allowed the identification of significant patterns and themes related to the adoption of digital technology in HRM. The analysis focused on understanding the relationship between digital tools and operational efficiency, employee productivity, and competency development.

### Research Subjects

The study involved managers, staff, and educators at Yayasan Al Madina, who were directly involved in or affected by the digital transformation initiatives. The selection of these subjects ensured a comprehensive perspective on the challenges and benefits of digital technology integration in HRM.

### Ethical Considerations

Ethical approval was obtained before the research began. All participants provided informed consent, and their confidentiality and anonymity were maintained throughout the study. This methodological framework ensures a robust exploration of the research objectives while providing actionable insights for Yayasan Al Madina and similar institutions seeking to optimize HRM through digital transformation.

## 3. RESULTS AND DISCUSSIONS

### Digital Transformation in HRM at Al Madina Foundation

The integration of digital technology into HR management processes at Yayasan Al Madina has yielded mixed results. On the one hand, the adoption of digital tools, such as employee management systems and performance tracking software, has improved operational efficiency. Tasks that were previously time-consuming, such as attendance recording and payroll management, are now automated, reducing errors and saving time. However, challenges such as resistance from staff and limited digital literacy were identified as significant barriers to successful implementation. Managers highlighted that while the digital tools are beneficial, the lack of comprehensive training programs for employees hindered the full utilization of the technology. Moreover, infrastructural limitations, such as inconsistent internet connectivity, further complicated the transition process.

### Impact on Employee Productivity and Competency Development

The use of digital technologies has shown potential for improving employee productivity by enabling better task delegation, clearer communication, and more accurate performance evaluations. Staff members reported increased transparency in goal-setting and feedback mechanisms, which helped them align their work with organizational objectives. However, the study also found that digital competency among staff varied widely. While younger employees adapted quickly to the new tools, older staff members often struggled, leading to uneven productivity levels. To address this, the foundation has started to develop tailored training programs aimed at bridging the digital skill gap among employees.

### Efficiency Gains and Organizational Insights

The implementation of digital tools has streamlined many administrative processes, allowing HR managers to focus on strategic initiatives rather than routine tasks. This shift has contributed to more effective workforce planning and talent management. Nevertheless, the foundation's management recognized that maximizing the efficiency of digital tools requires a stronger alignment between the technology adopted and the organization's unique needs. For instance, some of the tools lacked localized features, which limited their usability in certain contexts.

### Recommendations for Improvement

Based on the findings, the following recommendations are proposed:

1. Enhanced Training Programs

Conduct regular workshops and hands-on training sessions to improve digital literacy across all staff levels.

2. Infrastructure Development

Invest in reliable technological infrastructure, such as stable internet connections, to support the seamless use of digital tools.

3. Customizing Digital Tools

Work with software providers to customize digital solutions that better fit the foundation's operational needs.

These results underscore the importance of balancing technological adoption with adequate human resource development and infrastructural support. By addressing these areas, organizations like Yayasan Al Madina can unlock the full potential of digital transformation in HR management.

## 4. CONCLUSIONS

This study highlights the transformative potential of digital technology in human resource management (HRM) processes, with a focus on its implementation at Yayasan Al Madina. The findings demonstrate that digital tools can significantly enhance operational efficiency, improve employee productivity, and support competency development. However, challenges such as staff resistance, uneven digital literacy, and infrastructural limitations must be addressed to fully realize these benefits.

The successful integration of digital technology in HRM requires a comprehensive approach that considers both technological and human factors. By fostering a culture of adaptability and continuous learning, organizations can navigate the complexities of digital transformation and align their HR processes with broader organizational goals.

### Recommendations

#### 1. Comprehensive Training Programs

To ensure all employees can effectively utilize digital tools, the foundation should develop structured training programs tailored to different skill levels. This includes workshops, online tutorials, and mentoring sessions to bridge digital literacy gaps.

#### 2. Strengthening Technological Infrastructure

Reliable infrastructure, including stable internet connectivity and user-friendly software, is essential to support digital HR operations. Investments in these areas will help minimize disruptions and enhance overall efficiency.

#### 3. Customization of Digital Tools

Partnering with software developers to customize digital solutions to meet specific organizational needs will enhance usability and adoption. Tools should align with local and organizational contexts for maximum impact.

#### 4. Continuous Evaluation and Improvement

Establishing a feedback loop to evaluate the effectiveness of digital tools and their impact on HR processes will allow for iterative improvements. Regular assessments will help identify new challenges and adapt strategies accordingly. By addressing these recommendations, Yayasan Al Madina and similar institutions can optimize the integration of digital technologies, ensuring sustainable improvements in HR management and organizational performance.

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