

Innovation in Human Resource Management to Grow Entrepreneurial Performance in the Hybrid Work Era

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Abstract

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The transformation of the world of work towards a hybrid system has significantly increased the need for innovation in human resource management (HRM). This article aims to explore how innovation in HRM contributes to improving entrepreneurial performance in the era of hybrid work. Using a literature review approach that analyzes international journals published, this study identifies that HR digitalization, agile HR practices, performance-based management, and the development of an innovation-oriented culture are key strategies for fostering entrepreneurial spirit within organizations. These innovations enable organizations to be more adaptive, resilient, and competitive in responding to dynamic work environments. Furthermore, the hybrid work model demands flexible and responsive HR systems that support autonomy, collaboration, and continuous learning. The findings suggest that organizations that embrace transformative and future-oriented HR strategies are better positioned to nurture entrepreneurial capabilities and sustain growth. Thus, innovation in HRM is not only a response to environmental change but a strategic asset for organizational survival and success in the modern era.

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1. Introduction

The changing global work landscape, accelerated by technological advancements and global crises, has significantly propelled the emergence of hybrid work systems as a dominant model in contemporary organizations. The hybrid work model, which combines the flexibility of remote work with physical presence in the workplace, creates new challenges and opportunities for human resource management (HRM) systems across various types of organizations. In the context of these developments, there is an urgent need for organizations to continuously innovate in their HRM approaches to remain relevant, competitive, and effectively support the increase in entrepreneurial performance, which is highly needed to survive and compete in today's uncertain and changing digital economic ecosystem.

Traditional HRM, which tends to focus on administrative processes, rigid bureaucracy, and hierarchical organizational structures, is now considered inadequate in facing the dynamics of hybrid work that demand agility. Conversely, a more flexible, adaptive to change, and digitally-based management approach has become an undeniable necessity. Innovation in HRM encompasses various important aspects, ranging from recruitment processes that have shifted to digital

platforms, technology-based training, real-time performance management using digital systems, to the development of a work culture that actively supports creativity and innovation in the workplace (Collings et al., 2021).

Entrepreneurial performance itself refers to the ability of individuals and teams within an organization to create new value through innovative activities, measured risk-taking, and demonstrating proactivity in problem-solving or seizing opportunities. In the era of hybrid work, this entrepreneurial performance becomes an important indicator determining the sustainability and growth of organizations. This is because modern organizations must be able to adapt quickly to changes in the market, technology, and continuously shifting consumer preferences (Seet et al., 2021). Therefore, the role of HRM in facilitating and fostering entrepreneurial behavior within organizations becomes highly strategic and cannot be overlooked.

This literature study was compiled with the aim of answering the main question: how can innovation in HRM effectively foster entrepreneurial performance in the currently developing hybrid work era, to answer this question systematically and comprehensively, an in-depth search and analysis of various international scientific journals published between 2018 and 2022 were conducted. This study not only examines the technical aspects of HRM innovation but also delves into organizational culture approaches, digitalization of management processes, and the use of artificial intelligence in the context of managing geographically dispersed hybrid workforces.

In the context of increasingly widespread globalization and rapid technological disruption, organizations need to develop HRM strategies that align

with business needs and are also in line with the preferences of modern workforces who now prioritize work-life balance. Employees today demand greater flexibility, continuous career development, and a work environment that truly supports innovation. Conversely, organizations need high productivity, optimal cost efficiency, and continuous innovation. Therefore, the balance between organizational needs and individual satisfaction is at the core of innovative practices in HRM (Cooke, 2018).

In this complex hybrid era, cross-team collaboration, remote work management, and the utilization of digital technology for employee monitoring and development are key challenges that HRM must face. Innovative approaches such as the use of big data in HR decision-making, systematic implementation of HR analytics, and the utilization of artificial intelligence (AI) technology for recruitment, selection, and training processes are now widely adopted by modern organizations across various sectors. All these innovations aim to create an agile, adaptive, data-driven HRM system that can respond to changes quickly and accurately (Kim et al., 2021). Through this literature study, it is hoped that a more comprehensive understanding of the relationship between HRM innovation and the improvement of entrepreneurial performance can be obtained, as well as providing valuable theoretical and practical contributions to the development of modern HRM strategies in the hybrid work era.

2. Literature Review

2.1. Innovation in Human Resource Management

Innovation in human resource management (HRM) encompasses various important elements that are currently at the center of attention in the modern organizational world, including the adoption of advanced digital technology, more flexible and adaptive work models, data-driven approaches in strategic HR decision-making, and the integration of a work culture that actively encourages an innovative and collaborative spirit among all members of the organization. According to research by Fenech et al. (2019), digitalization in HRM practices not only serves as an administrative tool but also significantly accelerates work processes that previously required long periods, increases overall operational efficiency, and allows for a higher level of personalization in the formulation and implementation of work policies tailored to the needs of individuals and work teams.

Cutting-edge technologies such as artificial intelligence (AI), machine learning, and HR analytics have now developed rapidly and become the main backbone in various HRM processes, especially in terms of digital recruitment, technology-based training, and real-time and measurable performance appraisal systems. The utilization of this technology opens up great opportunities to create a more predictive, responsive to business dynamics, and capable HRM system that supports organizational growth through increased accuracy, speed, and transparency in every strategic HR decision.

2.2. The Hybrid Work Era and Its Challenges

Hybrid work demands an HRM system that is truly capable of effectively and efficiently managing a geographically dispersed workforce, both nationally and internationally, with a high degree of flexibility and results-oriented approach. In this work model, employees are no longer tied to a single physical location, so organizations need to adjust their management approach to maintain productivity, connectivity, and cross-team collaboration. Choudhury et al. (2021) clearly highlight the importance of building and maintaining effective collaboration across space and time in the context of hybrid work.

This collaboration heavily relies on the use of collaborative digital tools, such as online communication platforms, cloud-based project management systems, and virtual workspaces that enable synchronous and asynchronous idea exchange among team members working from different locations. The use of this technology not only maintains connectivity between personnel but also strengthens cross-departmental and cross-time zone teamwork. In addition, in the hybrid context, an output-based management approach becomes very important and relevant. This approach shifts the focus from physical presence monitoring to performance appraisal based on concrete work results that can be objectively measured. The success of HRM in the hybrid era is highly determined by its ability to adopt performance evaluation systems focused on results and employees' real contributions to organizational goals.

2.3. Entrepreneurial Performance in Organizations

Entrepreneurial performance is one of the important indicators used to measure an individual's ability to create innovation, wisely face various forms of risk,

and demonstrate a high level of proactivity in completing tasks or identifying opportunities in daily work. This ability is very valuable in the context of modern organizations facing the challenges of rapid and complex change. According to Abbasianchavari and Moritz (2021), organizations that successfully encourage and consistently foster entrepreneurial performance in their employees generally have organizational culture characteristics that clearly support creativity, innovation, and experimentation. Such a culture is usually formed through flatter organizational structures, which allow open communication flow between leaders and subordinates, and create space for unhindered idea exchange without bureaucratic obstacles.

In addition, this success is also strengthened by strong managerial support for new initiatives emerging from various organizational levels. In the flexible and dynamic context of hybrid work, it is important for organizations to adjust their human resource (HR) policies and practices to remain relevant and aligned with employee needs. These policies need to actively encourage personal initiative, provide adequate work autonomy, and ensure that every employee feels they have control over their work. These efforts will increase a sense of ownership, responsibility, and innovative spirit that are the foundation of sustainable entrepreneurial behavior.

3. Method

This research was conducted using a qualitative approach based on a systematic literature review method, designed to provide a comprehensive

understanding of the relationship between innovation in human resource management (HRM) and the growth of entrepreneurial performance in the hybrid work era. Data collection was carried out through searching and selecting relevant international scientific journal articles. The search was conducted thoroughly through Google Scholar as the main scientific database, focusing on journals with high academic reputation and written in English to ensure the validity and accuracy of the information. In this process, a number of inclusion criteria were set to determine eligible articles for review, namely journals that explicitly discuss important themes such as innovation in HRM, improvement or measurement of entrepreneurial performance, and the dynamics of hybrid work systems which are the main context of this research.

Articles that did not meet the criteria, had a scope of discussion outside the topic, or were duplicative, were systematically eliminated from the analysis. The next process included the identification and selection of articles using main keywords such as "HR innovation", "entrepreneurial performance", "hybrid work", "HRM agility", and "digital HR" selected based on theoretical and empirical relevance. After selection, Some articles that met all inclusion criteria were analyzed in depth. The analysis was conducted using a thematic approach, by examining in detail recurring patterns and relationships between important concepts that emerged in these articles. The main objective of this analysis process is to systematically understand how innovation in HRM can have a direct or indirect influence on the growth and strengthening of entrepreneurial performance, especially amidst the implementation of hybrid work systems. To ensure the validity of the findings obtained, triangulation

between sources and a review of the repeatability of results and consistency of arguments in each selected and qualitatively analyzed article were carried out.

4. Results

The results of the systematic literature study show that innovation in human resource management (HRM) has a significant and direct impact on the growth and strengthening of entrepreneurial performance in organizations, especially those that actively and comprehensively implement hybrid work systems. The hybrid work system, which is increasingly common in various industry sectors, demands adjustments not only in terms of technology but also in managerial approaches and human resource policies. In this context, innovation in HRM becomes a determining factor in whether an organization can survive and thrive in a continuously transforming work landscape. Based on the results of the literature review, several main findings can be consistently identified from various sources, including the role of digital transformation in HRM, the importance of developing an innovative culture, the need for organizational flexibility, and the urgency of a data-driven approach in HR decision-making processes.

The most fundamental finding is that the digitalization of HR processes forms the primary foundation of the entire innovation process in HRM (Zavyalova et al., 2022). In adaptive and visionary organizations, the application of digital technology has become an integral part of their HR strategy. This is evident from the implementation of cloud-based HRM systems that allow real-time data access and management, the use of artificial intelligence (AI)-based applications to filter and

assess candidates in the recruitment process, and the implementation of training supported by technologies such as chatbots, interactive videos, and gamification. Not only that, the utilization of predictive analytics in managing employee performance has also become common in organizations committed to innovation. All these efforts are not solely for efficiency but also to increase accuracy in decision-making related to career development and talent management. The utilization of technology in HR enables organizations to detect employee development needs in real-time, and thus encourages the emergence of more proactive behavior and individual creativity in carrying out daily tasks.

Organizations that are successful in fostering and maintaining entrepreneurial performance are generally those that are able to create and sustain a work culture that actively encourages risk-taking, provides open space for new ideas, and empowers employees to make autonomous decisions (Arabeche et al., 2022). Such a work culture does not emerge instantly but must be consistently built and maintained by management. In this context, the role of HRM is very important as a facilitator of progressive change. As explained by Raisch and Krakowski (2021), in a hybrid work structure that relies on employee independence, giving trust to individuals becomes very crucial. This trust will foster a sense of ownership over projects or ideas being carried out and will lead to an increase in innovative spirit and active contribution to organizational goals.

The shift in focus from a control-based or direct supervision HRM model towards an empowerment approach is one of the key factors in hybrid work systems. In traditional work environments, physical presence and fixed working hours are

often used as primary indicators of employee commitment and productivity. However, in the hybrid work model, these indicators become less relevant. This work system actually demands a higher level of independence and more flexible time management from each individual. Therefore, organizations need to design a work system that no longer focuses on physical activity supervision but rather on measuring output and tangible work results. In this regard, a results-oriented management approach becomes increasingly important and needs to be systematically developed. Shift requires the creation of new performance indicators that are more aligned with the characteristics of hybrid work and better reflect employees' real contributions to team and organizational success.

Strengthening learning capacity and self-development is one of the main drivers of sustainable entrepreneurial performance growth. Organizations that want to remain competitive in a rapidly changing environment must be able to provide learning programs that are adaptive, responsive, and technology-based. A study by Fenech et al. (2019) emphasizes that companies that provide access to digital learning platforms, including Learning Management Systems (LMS), augmented reality (AR) and virtual reality (VR)-based training, and microlearning, tend to have more innovative employees who are open to change. Such learning programs not only increase technical knowledge but also trigger creativity and critical thinking skills, two key components of an entrepreneurial spirit.

The agile approach in HRM is considered very effective in increasing the organization's responsiveness to the continuously changing and often unpredictable dynamics of the work environment. Agile HR prioritizes flexible work principles,

rapid iteration, continuous learning, and direct feedback that allows for dynamic strategy adjustments. This approach also encourages cross-functional involvement and inter-departmental collaboration in more open decision-making processes. A study conducted by Collings et al. (2021) concludes that the application of agile principles in HRM significantly encourages entrepreneurial behavior by giving teams and individuals the freedom to explore new ideas independently, without being hampered by overly rigid organizational structures.

Transformational leadership and the strategic role of HR leaders play a very decisive role in driving the direction of innovation in HRM. Leaders who have a far-sighted vision, and are willing to adopt the latest technology and develop more flexible and collaborative work structures, will have a great influence on the creation of an organizational culture that supports innovation and internal entrepreneurship. According to research by Cooke (2018), HR leaders who are able to redesign the employee experience with a future-oriented approach will greatly help in shaping an entrepreneurial mindset among employees. This type of leadership not only facilitates internal transformation but also builds a dynamic, open, and uncertainty-ready organizational climate.

Organizations that consistently apply a data-driven HRM approach tend to be more capable of understanding the potential of their human resources more deeply and precisely. By utilizing technologies such as big data and predictive analytics, organizations can map employee strengths and weaknesses, understand productive work patterns, and identify obstacles that can disrupt the flow of innovation. In this case, innovation in HRM is not only in the form of applying

digital technology but also includes the strategic use of data for more accurate and evidence-based decision-making. Kim et al. (2021) emphasize the importance of using HR analytics in managerial processes because it can provide relevant, fast, and in-depth information to support policies oriented towards increasing overall business competitiveness.

Finally, employee engagement remains an important foundation that cannot be ignored in efforts to improve entrepreneurial performance. In the context of hybrid work, this form of engagement requires strategic adjustments to suit a distributed and digital work environment. Organizations need to design an enjoyable and meaningful work experience in digital format, create virtual workspaces that support social and professional interaction, and build incentive or reward systems that are relevant and aligned with individual and team achievements. Seet et al. (2021) show that when organizations invest in creating a technology-based employee experience, the result is an increased level of job satisfaction, loyalty, and active participation of employees in various internal innovation initiatives. This indicates that innovation in HRM not only includes the use of digital tools or process changes but also about how to create a work experience that encourages emotional engagement and full commitment from employees towards the broader organizational goals.

5. Discussion

The results of this literature study comprehensively reveal that innovation in human resource management (HRM) has a strong and significant positive

correlation with the improvement of entrepreneurial performance, especially in the context of the hybrid work environment that is now increasingly adopted by various modern organizations. Innovation in this context is not limited to the use of information technology or certain software, but also includes a comprehensive transformation of work process redesign that is more efficient and adaptive, the restructuring of organizational structures that are flatter and more collaborative, and the strengthening of a work culture that is oriented towards innovation, creativity, and the courage to take measured risks.

One important aspect that emerged dominantly from the results of this study is the urgent need for HRM that is much more adaptive and flexible compared to previous approaches (Hansen et al., 2019). Organizations can no longer rely entirely on rigid, hierarchical, and bureaucratic traditional work structures in their implementation. Instead, to respond to the demands of the digital era and the expectations of the new generation workforce, organizations must immediately adopt a more agile and results-oriented HRM approach. This approach is considered more suitable for the characteristics and needs of today's workforce who tend to value autonomy in work, flexibility of time and place, and broad access to continuous career and skill development opportunities.

In the context of this transformation, technology indeed plays a central role and is a key catalyst in driving change. However, it is important to understand that the technical adoption of technology alone is not enough. Without an inclusive, collaborative, and strategic managerial approach, the use of technology can actually lead to adverse effects, such as employee alienation, digital inequality, or even

resistance to change. Therefore, the strategic role of HR leaders is very crucial in ensuring that technological innovation goes hand in hand with strengthening organizational values and developing a positive employee experience. Today's HR leaders are demanded not just to be administrative managers, but also to be architects of change who are able to create a work environment that supports employee creativity and initiative (Othman & Khalil, 2020).

Furthermore, this discussion also highlights that an innovative work culture is a key factor and a fundamental foundation in fostering and maintaining an entrepreneurial spirit within an organizational environment. An innovative culture cannot emerge instantly or be forced through top-down commands, but must be built organically through inclusive organizational policies, consistent management systems, and work practices that encourage experimentation and tolerance for constructive mistakes. Such a culture provides space for employees to try new approaches without fear of failure, which ultimately increases the quality of innovation produced.

Another important finding is that HRM needs to give high priority to active employee involvement in every work system redesign process. This involvement creates a sense of ownership, increases acceptance of change, and strengthens employee commitment to achieving the overall vision and mission of the organization (Dhir & Shukla, 2019). Organizations that successfully involve employees in the innovation process tend to be better prepared to face external challenges and are faster in responding to changes that occur. Thus, it can be concluded that innovation in HRM is an absolute and non-negotiable requirement

to increase organizational competitiveness, especially in facing the complexity and dynamics of the hybrid work environment. Organizations that are able to harmoniously integrate modern technology, an innovative work culture, and strategic and visionary HR leadership, will have a much greater opportunity to foster and maintain sustainable entrepreneurial performance in the future.

6. Conclusion

This research concludes that innovation in HRM plays a key role in enhancing entrepreneurial performance in the hybrid work era. This innovation includes the digitalization of HR processes, the application of agile approaches, the strengthening of an innovative work culture, and the use of data and technology in HR decision-making. In an increasingly flexible and distributed work environment, organizations need to redesign their HRM systems to be able to respond to changes quickly and effectively. Entrepreneurial performance, reflected in employee initiative, creativity, and risk-taking, is greatly influenced by HR policies and practices. Organizations that can create a work ecosystem that supports autonomy, digital collaboration, and continuous learning will be better prepared to face dynamic market challenges. This study also emphasizes the important strategic role of HR leaders in driving organizational transformation. By acting as catalysts for innovation, HR leaders can ensure that HRM systems are not only operationally efficient but also capable of being strategic value drivers for the organization. Thus, to remain relevant and competitive in the hybrid work era, organizations need to invest in HRM innovation that is transformative, adaptive, and future-oriented.

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