

## Human Resource Management Strategies for Advancing Sustainable Development Goals in Society 5.0: A Qualitative Study Using Digital Ethnography in Indonesia

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**Abstract.** This qualitative study examines how HRM practices support Sustainable Development Goals in Indonesia's Society 5.0. The research focuses on the transformative power of technology in HRM through digital ethnography, emphasizing the acceptance of AI, cloud computing, and big data analytics. These technologies streamline recruiting, training, and performance assessments, reducing bias in hiring and boosting efficiency and inclusivity. The results reveal that corporations prioritize inclusivity through employment and training initiatives, meeting the needs of vulnerable populations. The study also stresses the importance of Environmental, Social, and Governance (ESG) themes in HRM because ethical and sustainable organizations have greater employee loyalty and brand reputation. Poor digital literacy and cultural hostility persist, especially in rural areas. Based on that, our results give an SDG-aligned HRM framework that stresses how important it is for companies to embrace technology, inclusion, and ESG to achieve sustainable development in the digital age.

**Keywords:** Human Resource Management; Sustainable Development Goals; Society 5.0; Digital Ethnography.

### INTRODUCTION

The emergence of Society 5.0 represents a transition from a traditional industrial society to a knowledge-driven, human-centric paradigm. The concept, originating in Japan, seeks to harmonise technological progress with community well-being by employing tools such as artificial intelligence (AI) and the internet of things (IoT) to address social challenges (Serpa & Ferreira, 2019). The transition to Society 5.0 presents countries such as Indonesia with the opportunity to integrate digital transformation with the Sustainable Development Goals (SDGs). Technological advancements, particularly in artificial intelligence and big data, have revolutionised human resource management practices. These technologies enable personalised training, predictive analytics, and efficient hiring processes (Gadzali, Gazalin, Sutrisno, Prasetya, & Almaududi Ausat, 2023). Nevertheless, challenges like skill mismatches, workforce displacement, and data privacy persist (Ragazou, Garefalakis, Papademetriou, & Passas, 2023).

Indonesia faces distinct socioeconomic challenges due to its vast and varied population, regional disparities, and significant environmental issues (Utami Putri, Mirani, & Khairunnisyah, 2023). A plan that aligns the implementation of technology with sustainable practices is necessary due to these reasons. This alignment is facilitated by human resource management (HRM), which equips employees with the values and competencies essential for sustained success (Gadzali et al., 2023).

The 17 Sustainable Development Goals (SDGs) within the UN's 2030 Agenda for Sustainable Development address issues such as gender equality, poverty, education, and climate action (Huck, 2023). Scholars assert that collaboration among governments, the

private sector, and civil society is essential for attaining the Sustainable Development Goals in Society 5.0 (Serpa & Ferreira, 2019). Human Resource Management (HRM) plays a vital enabling role by endorsing organisational policies and practices that promote inclusion, environmental stewardship, and ethical governance (Gadzali et al., 2023).

Despite its potential, challenges exist in aligning HRM strategies with SDGs in Society 5.0. Organisations in Indonesia face numerous challenges, including inadequate digital literacy, resistance to cultural adaptation, and financial constraints (Gadzali et al., 2023). Enhancing digital infrastructure, promoting inclusivity, and implementing socially and environmentally responsible policies are essential to tackle these issues (Serpa & Ferreira, 2019).

Recent literature has underscored the importance of HRM in promoting organisational sustainability (Singh, Dsilva, & Tripathi, 2021). Scholars assert that strategic HRM enhances organisational performance and employee engagement by aligning organisational practices with society's expectations (Consulting, 2009). There remains insufficient understanding of how digital tools can facilitate stakeholder engagement in a sustainable context (Bondarouk & Brewster, 2016). This study seeks to bridge the gap by employing ethnographic methods to gather qualitative data on HRM practices and their impact on the SDGs in Indonesia.

Even though HRM and sustainability research is growing, we don't know how these methods can improve stakeholder engagement. Also, there isn't a lot of real-world research on HRM practices in developing countries like Indonesia, even though HRM is known to be important for promoting sustainability. This study examines how Indonesian enterprises are surmounting challenges and employing HRM strategies to advance the Sustainable Development Goals in the era of Society 5.0. The main focus of the study is on ethnography to show how HRM supports long-term growth in a society that is changing quickly by changing rules, practices, and results.

## **METHOD**

This research investigates Human Resource Management (HRM) practices in Indonesian companies through qualitative methods and thematic analysis. Thematic analysis, as explained by Braun & Clarke (2006), is a flexible and organized way to find patterns (themes) in qualitative data and summarize them. This method encapsulates the intricacy of HRM operations and their connection to the Sustainable Development Goals (SDGs). Data was collected through online focus groups, digital ethnographic observations, and virtual interviews. In this study, the researcher selected fifteen participants from several Indonesian industries, including HR experts, employees, and lawmakers, who provided diverse perspectives on HRM practices in Indonesia. Thematic analysis was utilized to identify trends and topics related to HRM practices and their connection to the SDGs. Data was systematically analyzed and categorized to identify solutions and challenges encountered by organizations in their pursuit of the Sustainable Development Goals (Ragazou et al., 2023).

## **RESULTS AND DISCUSSION**

According to the findings and discussions that were derived from the thematic analysis, four primary themes emerged from the observations and interviews that were conducted during the research. These topics are included:

### Integration of Technology in HRM

Human resource management (HRM) must integrate technology to promote the Sustainable Development Goals (SDGs) and align with the principles of Society 5.0. Digital HRM systems, including cloud computing, big data analytics, and artificial intelligence (AI), streamline recruitment, training, and performance evaluations (Bondarouk & Brewster, 2016). The introduction of digital tools enhances decision-making, efficiency, and transparency, hence facilitating data-driven and more equitable human resource practices (Stone, Deadrick, Lukaszewski, & Johnson, 2015). Furthermore, HR professionals may focus on strategic initiatives that foster inclusive and sustainable work environments due to automation reducing administrative responsibilities (Marler & Fisher, 2013). Respondents underlined how HRM's digital revolution had raised staff training and recruitment efficiency.

*"AI-driven applicant tracking systems have reduced bias and improved hiring decisions, and this applications also use for recruitment on HR processes (JK01)"*

*"Cloud-based HRM tools enable real-time employee performance tracking, so enhancing productivity and engagement (MH08)"*

The findings indicate that Indonesian organizations are increasingly utilizing e-learning systems, personnel management applications, and AI-driven recruitment technologies. These technologies mitigate bias in HR processes and enhance efficiency (Gadzali et al., 2023). The prominent e-commerce platform use employs artificial intelligence to connect job seekers with suitable openings, hence accelerating the hiring process. However, inadequate digital literacy among employees—particularly in rural regions—presents a challenge (Ragazou et al., 2023). The government's "Digital Talent Scholarship" plan aims to address this inequality by providing digital skills training to thousands of employees annually (Utami Putri et al., 2023).

### Fostering Inclusivity

The SDGs hinges on equitable opportunity, occupational diversity, and social sustainability—all of which HRM guarantees by inclusiveness. Organizations have to implement policies endorsing fair treatment of underprivileged groups, gender equality, and accessibility for persons with disabilities (Kossek, Su, & Wu, 2017). Tools of digital ethnography highlight how inclusive HRM enhances employee engagement and organizational effectiveness (Shore, Cleveland, & Sanchez, 2018). By means of AI-driven bias minimizing in recruiting, technology-driven solutions also help businesses to eliminate discriminating hiring rules (Raghavan, Barocas, Kleinberg, & Levy, 2020).

*"Our inclusive hiring policy has enhanced workplace satisfaction and diversity (AR10)"*

*"AI-driven recruitment tools have reduced unconscious bias, facilitating more equitable hiring practices (AP03)"*

Inclusivity emerged as a primary priority as organizations implemented policies designed to promote diversity and equitable chances. Targeted recruitment initiatives and inclusive training programs for marginalized communities (Huck, 2023).

### **Environmental and Social Governance (ESG)**

Environmental and social governance (ESG) principles essentially ground Human Resource Management techniques in Society 5.0. Business sustainability and social responsibility enhance firms by integrating ESG into their HRM policies (Eccles, Ioannou, & Serafeim, 2014). Using green HRM methods like policies for working from home, digital paperwork, and eco-friendly workplace projects could help ESG adoption (Renwick, Redman, & Maguire, 2013). Findings from digital ethnography indicate that employees exhibit increased loyalty towards organizations that prioritize sustainability, ethical leadership, and social welfare (Brammer, Jackson, & Matten, 2012).

*"Improved employee retention and brand reputation have resulted from our commitment to sustainability (AF05)"*

*"Employees prefer organizations that actively engage in ESG initiatives, influencing job satisfaction (DP07)"*

Sustainability and ESG initiatives in HRM Strategies for Society 5.0 Improve employee retention and job satisfaction. Environmental and social governance promotes workplace ethics and social responsibility, which boosts employee loyalty. Research shows that employees are more likely to stay with organizations that actively promote sustainability because it gives them a sense of purpose and aligns with their values.

ESG strategies like diversity and inclusivity boost job happiness. Company commitment to equity and social welfare boosts employee engagement. This alignment promotes morale and brand reputation, making the organization more appealing to future hires. Thus, integrating sustainability and ESG concepts into HRM strategies is essential for motivating employees and attaining long-term firm success in society. 5.0 Sustainable and ESG HRM practices boost staff retention and job satisfaction. Environmental and social governance-promoting companies foster an ethical workplace culture that values social responsibility and morality, which boosts employee loyalty. Since sustainability programs provide employees a feeling of purpose and align with their beliefs, they are more likely to stay with them (Brammer et al., 2012).

ESG strategies like diversity and inclusivity boost job happiness. Employee appreciation and engagement increase when they see their company prioritizing equity and social welfare (Kossek et al., 2017). This alignment promotes morale and brand reputation, making the organization more appealing to future hires. Sustainability is crucial to attracting and maintaining people, as 75% of millennials would accept a salary cut to work for a socially responsible company (Cone Communications, 2016). In Society 5.0, HRM strategies must incorporate sustainability and ESG concepts to engage employees and achieve long-term economic success. Integrating these principles into fundamental operations can boost employee happiness and competitiveness.

## HRM Strategies Framework Diagram



Figure 1. HRM Strategies Supporting SDGs in Society 5.0

Based on Figure 1. "HRM Strategies Supporting SDGs in Society 5.0" illustrates various human resource management (HRM) approaches designed to integrate Sustainable Development Goals (SDGs) within the context of a technologically advanced Society 5.0. Fundamental HRM strategies encompass the integration of technology, the promotion of inclusivity, and adherence to Environmental, Social, and Governance (ESG) principles, which are central to this paradigm.

The strategy of technology integration focuses on employing digital tools and platforms to enhance employee engagement and workplace efficiency. Confronting the Digital Literacy Challenge ensures that workers possess the necessary capabilities to address this effectively navigate and utilize modern technologies. Inclusiveness is crucial since it fosters a diverse and equitable workplace. Such diversity element is particularly crucial in surmounting cultural resistance, as HRM strategies must confront existing biases and foster a culture of acceptance and engagement among all employees.

In addition, the fact that HR policies are in line with the SDGs shows that the company is committed to environmentally friendly practices, even though the company is aware that limited funds may make it harder to implement these policies. Adhering to ESG principles ensures that the company fulfills legal requirements while engaging in ethical business practices that benefit both the environment and society. The entire framework illustrates a comprehensive method to align HRM strategies with broader societal objectives; hence, it emphasizes the necessity of including these elements for the sustainable development of organizations in the digital era.

## CONCLUSION

Using technology, being open to everyone, and ESG principles in human resource management is important for moving the Sustainable Development Goals forward in the Fifth Industrial Revolution (SDG) Society. This research highlights the significant impact of digital tools on training and hiring processes, leading to a more equitable and productive workplace. To fully grasp the potential of these strategies, we must address challenges including cultural resistance and digital literacy gaps, even if Indonesian businesses are taking steps toward inclusivity and sustainability.

## IMPLICATION

The findings of this study have various implications for human resource management (HRM) managers and also the government, especially the Indonesian government. To begin, organizations should offer funding for digital literacy efforts to equip their employees with the tools they require to navigate new technologies in an

appropriate manner. In the second place, human resource management strategies need to give inclusiveness the highest priority by implementing targeted recruitment and training programs that are geared toward assisting underprivileged groups. At long last, incorporating ESG concepts into HRM initiatives will result in increased employee involvement and improve the sustainability of the company. Through the implementation of these strategies, businesses will be able to support workplaces that are more equitable and inclusive, and they will also contribute to the more general aims of sustainable development.

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