

Analysis of Human Resource Management Strategies in Enhancing Employee Engagement in Digital Start-Up Companies

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ABSTRACT

This qualitative study investigates the implementation and effectiveness of human resource management (HRM) strategies in enhancing employee engagement within Indonesian digital start-up companies. The research employed a comprehensive qualitative methodology, including semi-structured interviews with 12 participants across various roles and company sizes within the start-up ecosystem. Data collection involved in-depth interviews, thematic analysis, and examination of HRM practices through multiple lenses. The findings reveal that successful employee engagement in digital start-ups is achieved through strategic implementation of flexible work arrangements, continuous learning programs, digital communication tools, and transparent leadership practices. Key themes emerged around the importance of work-life balance, professional development opportunities, and innovation culture in driving engagement levels. The study demonstrates that start-ups with fully implemented HRM strategies, particularly those emphasizing employee autonomy and career growth, achieve significantly higher engagement scores and job satisfaction rates. Digital transformation in HRM practices, including AI-driven recruitment tools and automated performance management systems, contributes substantially to operational efficiency and employee satisfaction. The research concludes that effective HRM strategies in digital start-ups require a holistic approach that integrates technology adoption with human-centered practices, emphasizing the critical role of leadership engagement and organizational culture in fostering sustained employee commitment.

Keywords: Human Resource Management, Employee Engagement, Digital Start-ups

INTRODUCTION

The rapid expansion of Indonesia's digital economy has created unprecedented opportunities for start-up companies to flourish in an increasingly competitive landscape. According to recent data, Indonesia hosts over 2,500 active start-ups as of 2024, making it the largest start-up ecosystem in Southeast Asia, ranking among the top five globally. This remarkable growth trajectory has positioned Indonesian start-ups as significant contributors to the national economy, with projections indicating that the digital economy can reach USD 109 billion by 2025. However, this exponential growth has also introduced complex challenges in human resource management, particularly in maintaining high levels of employee engagement in dynamic and resource-constrained environments (Mulyadi. et al., 2025).

Employee engagement has emerged as a critical determinant of organizational success in the digital era, with research consistently demonstrating its positive correlation with productivity, innovation, and retention rates. The concept of employee engagement, as defined by the Gallup Institute, encompasses the emotional and psychological connection employees maintain with their work environment and organizational goals. In the context of digital start-ups, this engagement becomes even more crucial due to the inherent uncertainties, rapid changes, and high-pressure environments that characterize these organizations. The unique operational dynamics of start-ups, including limited resources, flat organizational structures, and the need for rapid innovation, require specialized HRM approaches that differ significantly from traditional corporate models.

The significance of effective HRM strategies in start-up environments cannot be overstated as these companies often rely heavily on human capital as their primary competitive advantage. Unlike established corporations with extensive resources and structured processes, start-ups must maximize the potential of every team member while fostering an environment that encourages creativity, risk-taking, and continuous learning. This

imperative becomes particularly challenging when considering the demographic composition of start-up workforces, which predominantly consist of millennial and Generation Z employees who prioritize work-life balance, meaningful work, and career development opportunities (Wahyu & Riya Rahmadani, 2024).

Contemporary HRM research has increasingly recognized the transformative impact of digital technologies on traditional human resource practices. The integration of artificial intelligence, machine learning, and data analytics into HRM processes has revolutionized recruitment, performance management, and employee development initiatives. Digital transformation in HRM enables organizations to streamline processes, enhance decision-making capabilities, and create more personalized employee experiences. For start-ups operating in technology-driven sectors, the adoption of digital HRM tools is beneficial and essential for maintaining competitive advantage and operational efficiency.

The Indonesian context presents unique opportunities and challenges for HRM implementation in start-ups. Cultural factors, regulatory frameworks, and market dynamics influence HRM strategies development and execution. Indonesian start-ups must navigate between global best practices and local cultural expectations, creating hybrid approaches that resonate with domestic talent, while maintaining international competitiveness. Emphasis on collective values, hierarchical respect, and relationship-building in Indonesian culture requires careful consideration when designing engagement strategies (Jaan et al., 2024).

Recent studies have highlighted the critical role of organizational culture in driving employee engagement in start-up environments. The ability to create a purpose-driven organizational culture that aligns individual aspirations with company objectives emerges as a key differentiator between successful and struggling start-ups. This cultural dimension becomes particularly important in Indonesia, where employees increasingly seek meaningful work that contributes to societal impacts beyond financial gains. The concept of "purpose-driven work" has gained significant traction among Indonesian professionals by influencing their career choices and engagement levels.

The challenges facing HRM in digital start-ups extend beyond the traditional concerns of recruitment and retention and encompass broader issues of organizational agility, innovation management, and digital transformation. Start-ups must develop HRM strategies that support rapid scaling, accommodate remote and flexible work arrangements, and foster continuous learning and adaptation. The COVID-19 pandemic has further accelerated these challenges, forcing start-ups to re-imagine their HRM approaches to support distributed teams and maintain engagement in virtual environments (N. Anwar et al., 2025).

Research gaps persist in understanding the specific HRM strategies that are most effective in enhancing employee engagement among Indonesian digital start-ups. While extensive literature exists on employee engagement in established organizations and Western contexts, few studies have examined the unique dynamics of start-up environments in emerging markets, such as Indonesia. This research gap is particularly pronounced when considering the intersection of digital transformation, cultural factors, and start-up dynamics in shaping effective HRM practices.

The theoretical foundations for this study are drawn from multiple established frameworks, including Social Exchange Theory, which explains how employees develop emotional attachment to organizations based on perceived reciprocity and value alignment. Job Embeddedness Theory provides additional insights into how organizational factors influence employee retention and engagement. When applied to the start-up context, these theoretical perspectives offer valuable frameworks for understanding the mechanisms through which HRM strategies influence employee engagement outcomes.

LITERATURE REVIEW

1. Conceptualizing Employee Engagement

Employee engagement is a multifaceted construct broadly understood as employees' emotional, cognitive, and behavioral commitment to their organization and goals. It encompasses dimensions such as vigor, dedication, and absorption (Hasan & Soetjipto, 2025) and has been associated with positive organizational outcomes, including higher productivity, innovation, job satisfaction, and reduced turnover. Employee engagement is distinct from related constructs, such as job satisfaction and organizational commitment, in that it reflects an active, energetic involvement in work rather than a mere positive attitude or loyalty.

The importance of this construct is underscored in digital start-ups, where engagement has critical implications for sustaining creativity, agility, and resilience in highly uncertain and competitive environments. Start-ups often rely on employees' discretionary efforts and innovative capacities, making engagement an essential driver of organizational success (Pratama & Anindita, 2025).

2. HRM Strategies and Employee Engagement

Human resource management strategies encompass the design and execution of policies and practices that

optimize people's management to support organizational goals. Specific HRM practices—recruitment and selection, training and development, performance management, rewards, and employee involvement—have been demonstrated to influence employee engagement by fostering supportive work environments and enabling employee growth (Agrawal, 2025).

Strategic HRM integration, which aligns human capital management with business objectives, plays a vital role in enhancing engagement, particularly in startups, where resource constraints necessitate leveraging human capital efficiently. Configurations of HRM practices that emphasize autonomy, learning opportunities, recognition, and supportive leadership emerge as strong predictors of engagement (Surianto, 2025).

3. The Role of Digital Transformation in HRM

The digital revolution has profoundly reshaped HRM paradigms, giving rise to digital HRM or e-HRM practices, characterized by the use of digital technologies to automate and augment HR processes. Digital transformation in HRM encompasses the integration of artificial intelligence, big data analytics, cloud-based platforms, and social media to optimize recruitment, performance management, learning, and employee engagement initiatives.

Empirical studies emphasize that digital HRM tools enhance operational efficiency and employee experience by enabling personalized development opportunities, facilitating virtual collaboration, and improving communication transparency, which are essential in digital start-up environments in which remote and hybrid work models are prevalent. For instance, AI-enabled recruitment algorithms help match candidates to organizational culture and role requirements more effectively, leading to greater employee retention and engagement.

Nevertheless, digital transformation also introduces challenges including potential depersonalization, technology adaptation barriers, and uneven access to digital tools, which may detract from engagement if not managed strategically (Parry et al., 2019). This duality necessitates a balanced approach that integrates technology adoption with human-centric leadership and communication practices to maintain trust and psychological safety (Sylejmani & Mesko, 2024)

4. HRM Challenges in Start-Up Environments

Start-ups, characterized by fluid organizational structures, resource constraints, and volatile markets, encounter unique human resource management (HRM) challenges. Research highlights the difficulties in designing formalized HRM systems owing to rapid scaling, informal cultures, and competing business priorities. Despite these challenges, effective HRM strategies are crucial for attracting and retaining the talent vital to innovation and growth.

Qualitative studies in start-up contexts focus on HRM flexibility and adaptability, advocating for agile HR practices that align with employees' dynamic. For example, flexible work arrangements and participative decision-making practices foster higher engagement by accommodating individual preferences and emphasizing autonomy.

Indonesian digital start-ups operate within a distinct socio-cultural and economic context that shapes human resource management (HRM) practices and employee expectations. The prevailing collectivist culture emphasizes relational values, respect for hierarchy, and harmony, all of which can influence engagement dynamics and HRM strategy effectiveness. Additionally, regulatory and institutional frameworks in Indonesia, such as labor laws and emerging digital economy policies, present specific compliance and adaptation challenges for start-ups (Estiyanti et al., 2025).

5. Employee Engagement in Indonesian Digital Start-Ups

Empirical investigations into Indonesian digital start-ups report that employee engagement is heavily influenced by HRM practices that foster career development, leadership transparency, innovation culture, and work-life balance. The rise of millennial and Generation Z workers, who prioritize meaningful work, flexible schedules, and continuous learning, further accentuates these engagement drivers.

Studies also demonstrate that start-ups adopting digital HRM tools, such as online learning platforms, digital onboarding processes, and employee feedback apps, tend to achieve higher employee satisfaction and retention rates. However, many start-ups face challenges in fully implementing these strategies because of limited resources and capabilities, leading to partial adoption and variable engagement outcomes.

Organizational culture plays a pivotal role in shaping engagement, with purpose-driven and innovation-oriented cultures correlating with higher employee motivation and commitment. The alignment of individual and organizational values emerges as a critical antecedent to engagement, supporting the premise of the Social Exchange Theory that perceived reciprocity and meaningful exchanges underpin employee attitudes and

METHOD STUDY

This study employed a qualitative research methodology to gain comprehensive insights into the complex dynamics of human resource management strategies and their impact on employee engagement within Indonesian digital start-up companies. The qualitative approach was selected as the most appropriate methodology for this investigation because of its ability to capture nuanced experiences, perceptions, and contextual factors that influence employee engagement in a dynamic start-up environment. The research design prioritized depth over breadth, enabling a detailed exploration of participant perspectives and the underlying mechanisms through which HRM strategies influence engagement outcomes.

1. Research Design

This study adopted an interpretive research paradigm grounded in constructivist epistemology, which acknowledges that reality is socially constructed through human interactions and experiences. This philosophical foundation aligns with the research objectives of understanding how employees and managers interpret and experience HRM strategies in their specific organizational contexts. The phenomenological approach is particularly relevant for exploring the lived experiences of start-up employees and understanding how they make sense of various HRM initiatives and their impact on their engagement levels.

The research design incorporated multiple data collection methods to ensure comprehensive coverage of the research phenomena and to enhance the credibility of the findings through methodological triangulation. This multi-method approach included semi-structured interviews as the primary data collection technique, supplemented by document analysis and observational data, where appropriate. The triangulation strategy helped validate the findings across different data sources and provided a more holistic understanding of HRM practices in start-up environments.

2. Population and Sampling

The study employed Purposive sampling was used to select participants who could provide rich and relevant information about HRM strategies and employee engagement in digital start-ups. The sampling criteria included employees and managers of Indonesian digital start-ups across various sectors, including fintech, edutech, healthtech, and e-commerce platforms. Participants were required to have at least one year of experience working in start-up environments to ensure sufficient exposure to organizational practices and engagement initiatives.

The final sample comprised 12 participants representing diverse roles within the start-up ecosystem, including HR managers, software developers, product managers, marketing specialists, UX designers, data analysts, sales executives, DevOps engineers, business analysts, content creators, finance managers, and quality assurance testers. This diverse representation ensured comprehensive coverage of different functional areas and hierarchical levels within start-up organizations. The sample included employees from start-ups of varying sizes, ranging from 11-50 employees to 101-200 employees, to capture their experiences across different organizational scales and maturity levels.

3. Data Collection Procedures

Semi-structured interviews served as the primary data collection method, providing the flexibility to explore emergent themes while maintaining a focus on key research questions. The interview protocol was developed based on extensive literature review and pilot testing with industry experts to ensure relevance and comprehensiveness. Each interview lasted approximately 60-90 minutes and was conducted either in-person or via video-conferencing platforms, depending on participant preferences and geographical constraints.

The interview guide covered several key areas, including participants' experiences with various HRM strategies, perceptions of organizational culture and leadership practices, assessment of work-life balance and flexible arrangements, evaluation of career development and learning opportunities, experiences with digital tools and technology adoption, and overall job satisfaction and engagement levels. Open-ended questions were designed to encourage detailed narratives and to allow participants to share their experiences in their own words.

All interviews were audio-recorded with participant consent and transcribed verbatim to ensure accuracy in data analysis. Field notes were maintained during the interviews to capture non-verbal cues, contextual information, and interviewer observations that might inform the analysis process. Follow-up interviews were conducted with selected participants to clarify their responses, validate emerging themes, and gather additional insights on specific aspects of their experiences.

4. Data Analysis Framework

The study employed thematic analysis as the primary analytical approach, following Braun and Clarke's six-phase process: familiarization with data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the final report. This systematic approach ensured rigour in the analysis process and enabled the identification of meaningful patterns across participant responses.

The analysis process began with multiple readings of the interview transcripts to achieve familiarity with the data and to identify the initial patterns. Open coding was used to generate the initial codes that captured the key concepts, experiences, and perspectives shared by the participants. The coding process was iterative, and the codes were refined and consolidated as patterns that emerged across the dataset. The use of qualitative data analysis software facilitated systematic coding and theme development, while maintaining transparency in the analytical process.

RESULTS AND DISCUSSION

The study sample represents a diverse cross-section of the Indonesian digital start-up workforce, encompassing various functional roles and organizational contexts. The participants were distributed across start-ups of different sizes, with 41.7% representing companies with 51-100 employees, 33.3% from smaller organizations with 11-50 employees, and 25.0% from larger start-ups with 101-200 employees. This distribution reflects the typical composition of the Indonesian start-up ecosystem, where medium-sized companies predominate, whereas smaller and larger organizations coexist in the market.

The analysis revealed distinct engagement level patterns among participants, with 41.7% demonstrating high engagement, 33.3% medium engagement, and 25.0% low engagement. These engagement levels showed a strong correlation with job satisfaction scores, where highly engaged employees reported an average satisfaction score of 4.22 5.0, compared to 3.65 for medium engagement and 2.53 for low engagement. The overall average job satisfaction score across all participants was 3.61, indicating generally positive but varied experiences in the start-up environment.

Thematic analysis identified six critical factors influencing employee engagement in digital start-ups, each with varying levels of impact and participant response patterns. Professional development emerged as the most frequently mentioned theme, with all 12 participants (100%) referencing its importance in their engagement experiences. This theme generated the highest positive response rate, with 10 out of 12 participants (83.3%) expressing satisfaction with the learning and development opportunities provided by their organizations. The overwhelming emphasis on professional development reflects the knowledge-intensive nature of start-up work and employees' desire for continuous skill enhancement in a rapidly evolving technological landscape.

Digital communication tools represented the second most prominent theme, mentioned by 11 participants (91.7%), with 8 participants (72.7%) providing positive feedback about their effectiveness. The high frequency of mentions indicated the central role of technology-mediated communication in start-up operations, particularly in supporting distributed teams and remote work arrangements. However, three participants (27.3%) expressed concerns about the effectiveness of communication tool, citing issues such as information overload, unclear protocols, and technology adoption challenges.

Work-life balance emerged as a significant engagement factor, as discussed by 10 participants (83.3%), with nine participants (90.0%) expressing positive sentiments about their organizations' approach to supporting work-life integration. This theme demonstrated the highest positive response rate among all the identified factors, suggesting that start-ups generally provide flexibility and accommodate diverse lifestyle needs. Only one participant expressed dissatisfaction with work-life balance arrangements, indicating that most start-ups have successfully implemented policies that support employee well-being.

The analysis of HRM strategy implementation revealed varying levels of organizational commitment and effectiveness across different strategic initiatives. Continuous learning programs demonstrated the highest impact score of 4.5 out of 5.0, with full implementation status and a 90% employee adoption rate. This finding aligns with the thematic analysis results, showing professional development as the most influential engagement factor. The highly effective perceived effectiveness rating for learning programs underscores their critical role in maintaining employee engagement and supporting organizational growth objectives..

Table 1. HRM Strategies

HRM_Strategy	Implementation_Level	Employee_Adoption_Rate	Perceived_Effectiveness	Impact_Score
Flexible Work Arrangements	Fully Implemented	85%	Very Effective	4.3

HRM_Strategy	Implementation_Level	Employee_Adoption_Rate	Perceived_Effectiveness	Impact_Score
Digital Onboarding Process	Partially Implemented	70%	Effective	3.8
Continuous Learning Programs	Fully Implemented	90%	Very Effective	4.5
Performance Management System	Partially Implemented	65%	Moderately Effective	3.2
Employee Feedback Platforms	Fully Implemented	80%	Effective	3.9
Cross-functional Projects	Under Development	45%	Needs Improvement	2.8

Flexible work arrangements achieved the second-highest impact score of 4.3, with full implementation and an 85% adoption rate among employees. The very effective rating for this strategy confirms its importance in the start-up context, where employees value autonomy and the ability to balance work responsibilities with personal commitment. The high adoption rate suggests that start-ups have successfully communicated the benefits and provided the necessary infrastructure to support flexible work arrangements.

Employee feedback platforms demonstrated solid performance, with an impact score of 3.9 and an 80% adoption rate, although they were rated as effective rather than very effective. This moderate rating suggests opportunities for improvement in the design and utilization of feedback systems within start-up organizations. Full implementation status indicates organizational commitment to gathering employee input, but the effectiveness rating suggests that the quality and utilization of feedback may require enhancement.

Performance management systems showed the lowest impact score of 3.2, with only partial implementation and a 65% adoption rate. A moderately effective rating indicates that start-ups face challenges in developing and implementing comprehensive performance management frameworks. This finding reflects common resource constraints and prioritization challenges that prevent start-ups from fully developing sophisticated performance management infrastructures.

A detailed analysis of the interview codes revealed nuanced patterns in employee experiences and sentiments across different aspects of their work environment. Career growth emerged as the code category with the highest positive sentiment score of 0.78, encompassing sub-codes related to learning opportunities, advancement prospects, and mentoring relationships. This finding reinforces the importance of professional development in driving employee engagement in start-up environments. A high sentiment score indicates that when start-ups effectively support career growth, employees respond with strong positive emotions and increased commitment.

Table 2. Nuanced Patterns

Code_Category	Sub_codes	Occurrence_Count	Sentiment_Score
Motivation Factors	Autonomy, Purpose, Recognition	15	0.72
Communication Challenges	Hierarchy, Feedback Delays, Clarity	12	-0.23
Technology Benefits	Efficiency, Connectivity, Innovation	18	0.68

Code	Category	Sub_codes	Occurrence	Count	Sentiment	Score
Work Environment		Flexibility, Culture, Resources	14		0.55	
Career Growth		Learning, Advancement, Mentoring	16		0.78	
Team Collaboration		Trust, Support, Shared Goals	13		0.61	

Motivation factors achieved the second-highest sentiment score of 0.72, with sub-codes including autonomy, purpose, and recognition. This positive sentiment suggests that start-ups generally succeed in creating work environments that support intrinsic motivation through meaningful work and employee empowerment. The 15 occurrences of motivation-related codes across interviews indicated the consistent importance of these factors in shaping employee experiences.

Technology benefits generated a sentiment score of 0.68, with 18 occurrences, making it the most frequently mentioned code category. The sub-codes of efficiency, connectivity, and innovation reflect employees' appreciation of how technology enhances their work experience and enables them to perform more effectively. High frequency and positive sentiments indicate that successful technology adoption contributes significantly to employee satisfaction and engagement.

Communication challenges represented only the negative sentiment category, with a score of -0.23. The sub-codes of hierarchy, feedback delays, and clarity issues highlight persistent problems in organizational communication that detract from employee engagement. Despite 12 occurrences of communication-related codes, negative sentiments suggest that many start-ups struggle to establish effective communication protocols and practices.

The integration of demographic data, thematic analysis, and strategy implementation results revealed clear patterns linking HRM practices to engagement outcomes. Participants with high engagement levels worked consistently in organizations with fully implemented continuous learning programs and flexible work arrangements. These individuals also reported very high satisfaction with work flexibility and excellent ratings of career development opportunities.

Participants with medium engagement typically experienced partially implemented HRM strategies and moderate satisfaction levels across key engagement factors. This group showed positive sentiments toward most organizational practices but identified specific areas for improvement, particularly in performance management and communication effectiveness.

Low engagement participants consistently reported dissatisfaction with multiple HRM practices and worked in organizations with limited strategy implementation. These individuals expressed concerns about career development prospects, work flexibility, and communication effectiveness, which resulted in significantly lower job satisfaction scores.

The analysis demonstrates clear correlations between comprehensive HRM strategy implementation and employee engagement outcomes, supporting the importance of systematic approaches to human resource management in start-up environments. Organizations that invest in the full implementation of multiple HRM strategies, particularly those that focus on employee development and flexibility, achieve substantially higher engagement levels and job satisfaction scores.

The findings of this study provide compelling evidence for the critical role of strategic human resource management in enhancing employee engagement in Indonesian digital start-up companies. This research reveals that successful employee engagement in start-up environments requires a multifaceted approach that integrates technological innovation with human-centered practices, emphasizing the importance of organizational culture, leadership transparency, and employee development initiatives.

The emergence of professional development as the most influential factor in employee engagement aligns with the existing literature on knowledge workers' motivational drivers and unique characteristics of start-up environments. The finding that 100% of the participants mentioned professional development, with 83.3% expressing positive sentiments, underscores the critical importance of continuous learning in maintaining employee commitment within rapidly evolving technological landscapes. This result supports the finding of Mulyadi et al. (2025), who identify employee development as a key component of strategic HRM practices (Mulyadi. et al., 2025).

The particularly high impact score (4.5 for continuous learning programs, combined with their 90% adoption rate, demonstrates that start-ups can achieve exceptional engagement outcomes by prioritizing employee growth and skill development. This finding is consistent with studies conducted in other emerging markets

where employees increasingly value opportunities for professional advancement and skill enhancement. The success of learning programs in Indonesian start-ups reflects broader cultural values that emphasize education and self-improvement, suggesting that HRM strategies must be culturally contextualized to achieve maximum effectiveness.

The strong correlation between career growth sentiment (0.78) and overall engagement levels provides further evidence for the strategic importance of development-focused HRM practices. Organizations that create clear pathways for advancement, provide mentoring relationships, and offer diverse learning opportunities are more likely to maintain high levels of employee engagement and retention. This finding has significant implications for start-up founders who must balance resource constraints with the need to invest in human capital development (Estiyanti et al., 2025).

The prevalence of digital communication tools as a major theme, mentioned by 91.7% of the participants, reflects the central role of technology in modern start-up operations. However, the mixed sentiments expressed by participants (72.7% positive and 27.3% negative) highlight the complexity of implementing effective digital communication strategies. This finding aligns with research by (Indroputri & Sanjaya, 2024), who identified both the benefits and challenges associated with digital HRM transformation.

The negative sentiment associated with communication challenges (-0.23) represents a critical area for improving start-up HRM practices. Issues related to hierarchy, feedback delays, and clarity problems suggest that many start-ups struggle to establish effective communication protocols, despite investing in digital tools. This finding supports work that emphasizes that successful HRM transformation requires balancing technology adoption with human-centered communication practices.

The high frequency of technology benefits codes (18 occurrences) with positive sentiment (0.68) indicates that, when properly implemented, digital tools can significantly enhance employee experiences through improved efficiency, connectivity, and innovation capabilities. This result is consistent with studies by Telkom and Unilever, which demonstrated the successful integration of AI-driven recruitment tools and digital learning platforms. The key insight is that technology adoption must be accompanied by appropriate training, clear protocols, and ongoing support to maximize its engagement benefits.

The exceptional positive response rate for work-life balance (90% positive sentiment) positions this factor as a significant competitive advantage for start-ups in attracting and retaining talent. This finding is particularly relevant in the Indonesian context, where work-life balance has become increasingly important for millennial and Generation Z employees. The high impact score (4.3 for flexible work arrangements combined with 85% adoption rates) demonstrates that start-ups can successfully implement policies that support employee well-being while maintaining operational effectiveness (Zakaria et al., 2025).

The strong performance of work-life balance initiatives aligns with research by (Noviandari et al., 2025), who found that work-life balance directly contributes to employee retention and that its effects are enhanced through increased engagement. The finding that only one participant expressed dissatisfaction with work-life balance arrangements suggests that most Indonesian start-ups have successfully adapted to changing employee expectations regarding workplace flexibility.

This result has important implications for HRM strategy development because it indicates that start-ups can differentiate themselves in competitive talent markets by prioritizing employee well-being and flexibility. The success of flexible work arrangements in enhancing engagement also supports the broader trend toward remote and hybrid work models accelerated by the COVID-19 pandemic.

The moderate impact of leadership transparency (mentioned by 75% of the participants) with mixed positive responses (66.7%) suggests that this area requires focused attention in many start-up organizations. While the founder-led engagement approach identified in related research has shown promise in building strong organizational cultures, the current findings indicate that transparency and communication effectiveness remain challenging for many start-up leaders.

The innovation culture theme, while showing generally positive sentiment, was mentioned by only 66.7% of the participants, suggesting that not all start-ups successfully establish cultures that promote creativity and innovation. This finding is significant, given that innovation culture is often cited as a key differentiator for start-up organizations. A moderate impact rating indicates opportunities to improve how start-ups communicate their innovation objectives and engage employees in creative processes.

The performance recognition theme had the lowest frequency of mentions (58.3%) among the major factors, with moderate positive responses. This result suggests that many start-ups underestimate the importance of formal recognition programs in driving employee engagement. This finding contrasts with the established HRM literature that emphasizes recognition as a key motivational factor, indicating a potential gap in start-up HRM practices.

The varying levels of HRM strategy implementation revealed in this study highlight the resource and

prioritization challenges faced by start-up organizations. The partial implementation status of digital onboarding processes (70% adoption) and performance management systems (65% adoption) suggests that many start-ups struggle to develop a comprehensive HRM infrastructure while managing growth and operational demands.

The under-development status of cross-functional projects, with only 45% adoption and an 2.8 impact score, indicates missed opportunities for enhancing employee engagement through collaborative initiatives. This finding suggests that start-ups may benefit from prioritizing cross-functional collaboration as a strategy for building engagement while achieving operational objectives.

The clear correlation between full strategy implementation and higher engagement levels provides evidence of the importance of systematic approaches to HRM in start-up environments. Organizations that achieve the full implementation of multiple HRM strategies, particularly those focusing on employee development and flexibility, demonstrate substantially higher engagement outcomes.

The findings demonstrate the importance of cultural adaptation in HRM strategy development for Indonesian start-ups. The emphasis on purpose-driven work culture, relationship-building, and collective values reflects the broader Indonesian cultural characteristics that influence employee engagement. The success of meaning-based work initiatives aligns with research by (Mulyadi. et al., 2025), which identified purpose-driven organizational culture as a key retention strategy for Indonesian start-ups.

The integration of traditional Indonesian values with modern HRM practices creates unique opportunities for start-ups to develop culturally resonant engagement strategies. The finding that employees respond positively to initiatives that combine professional development with social impact suggests that start-ups can leverage cultural values to enhance engagement while achieving their business objectives.

CONCLUSION

comprehensive qualitative study provides valuable insights into the complex dynamics of human resource management strategies and their impact on employee engagement in Indonesian digital start-up companies. The research demonstrates that successful employee engagement in start-up environments requires a strategic, multifaceted approach that integrates technological innovation with human-centered practices, emphasizing the critical importance of professional development, work-life balance, and organizational culture in driving employee commitment and satisfaction. The findings revealed that professional development emerged as the most influential factor in enhancing employee engagement, with all participants acknowledging its importance and 83.3% expressing positive sentiments about learning opportunities. This result underscores the knowledge-intensive nature of start-up work and employees' strong desire for continuous skill enhancement in a rapidly evolving technological landscape. Organizations that fully implement comprehensive learning programs achieve exceptional engagement outcomes, with impact scores of 4.5 and adoption rates of 90%, demonstrating the strategic value of investing in human capital development despite resource constraints. Work-life balance initiatives have proven to be a significant competitive advantage for start-ups, with 90% of participants expressing positive sentiments about organizational flexibility arrangements. The high impact score 4.3 for flexible work arrangements combined with 85% adoption rates confirms that start-ups can successfully differentiate themselves in competitive talent markets by prioritizing employee well-being while maintaining operational effectiveness. This finding reflects changing employee expectations and successful adaptation of Indonesian start-ups to contemporary workplace trends.

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