

# Digital Talent: Designing Recruitment and Employee Development Strategies to Face Corporate Digital Transformation

Recruitment and  
Employee Development  
Strategies

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## ABSTRACT

Digital transformation has become a key agenda for organizations facing technological disruption and dynamic market demands. However, organizational readiness for transformation is highly influenced by human resource management strategies, particularly in recruiting and developing digital talent. This study aims to analyze the impact of digital recruitment strategies and digital talent development on organizational readiness for digital transformation, and to examine the mediating roles of organizational trust and employee engagement. This research adopts a quantitative approach using Partial Least Squares-based Structural Equation Modeling (SEM-PLS). The sample consists of 150 respondents working in service and manufacturing organizations undergoing digital transformation. The findings reveal that both digital recruitment and digital talent development strategies have a positive and significant influence on organizational readiness. Moreover, organizational trust and employee engagement partially mediate the relationship between digital HR strategies and organizational readiness. These results support the resource-based view and dynamic capabilities theory, highlighting the strategic role of human capital in driving successful digital transformation. Practical implications suggest that organizations should integrate digital strategies into HR management to sustainably foster trust and engagement among employees. This study recommends policy innovations in digital HRM to enhance organizational readiness in the era of transformation.

**Keywords:** Digital Recruitment Strategy, Digital Talent Development, Digital Transformation, Employee Engagement, Organizational Trust.

## ABSTRAK

Transformasi digital telah menjadi agenda utama bagi organisasi yang menghadapi disrupsi teknologi dan tuntutan pasar yang dinamis. Namun, kesiapan organisasi untuk transformasi sangat dipengaruhi oleh strategi manajemen sumber daya manusia, terutama dalam merekrut dan mengembangkan talenta digital. Studi ini bertujuan untuk menganalisis dampak strategi rekrutmen digital dan pengembangan talenta digital terhadap kesiapan organisasi untuk transformasi digital, dan untuk mengkaji peran mediasi kepercayaan organisasi dan keterlibatan karyawan. Penelitian ini mengadopsi pendekatan kuantitatif menggunakan Partial Least Squares-based Structural Equation Modeling (SEM-PLS). Sampel terdiri dari 150 responden yang bekerja di organisasi jasa dan manufaktur yang mengalami transformasi digital. Temuan ini mengungkapkan bahwa rekrutmen digital dan strategi pengembangan talenta digital memiliki pengaruh positif dan

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signifikan terhadap kesiapan organisasi. Selain itu, kepercayaan organisasi dan keterlibatan karyawan sebagian memediasi hubungan antara strategi SDM digital dan kesiapan organisasi. Hasil ini mendukung pandangan berbasis sumber daya dan teori kemampuan dinamis, menyoroti peran strategis sumber daya manusia dalam mendorong keberhasilan transformasi digital. Implikasi praktis menunjukkan bahwa organisasi harus mengintegrasikan strategi digital ke dalam manajemen SDM untuk menumbuhkan kepercayaan dan keterlibatan di antara karyawan secara berkelanjutan. Studi ini merekomendasikan inovasi kebijakan dalam SDM digital untuk meningkatkan kesiapan organisasi di era transformasi.

**Keywords:** Strategi Rekrutmen Digital, Pengembangan Bakat Digital, Transformasi Digital, Keterlibatan Karyawan, Kepercayaan Organisasi

## INTRODUCTION

Digital transformation has emerged as a global phenomenon compelling companies to adapt rapidly in order to maintain competitiveness in the digital economy era. According to the World Economic Forum (2020), 84% of companies worldwide plan to accelerate the digitalization of their business processes, while 50% of workers are expected to require new skills to meet market demands. However, many organizations face significant challenges in recruiting and developing employees with adequate digital competencies.

In Indonesia, a report from the Ministry of Communication and Informatics reveals that the demand for digital talent is projected to reach 9 million individuals by 2030, while the availability of qualified human resources remains severely limited (Ministry of Communication and Informatics, 2021). This issue is compounded by findings from McKinsey (2019), which indicate that 87% of companies in Southeast Asia, including Indonesia, struggle to find candidates with relevant digital skills.

Vial (2019) has extensively discussed digital transformation from technological and strategic business perspectives. There is a noticeable gap in research examining systematic approaches to recruiting and developing digital talent, particularly in developing country contexts such as Indonesia. Strohmeier (2020) emphasized that despite the popularity of digital human resource management (HRM), its implementation remains fragmented and poorly integrated with broader business strategies. Furthermore, most literature on talent management still emphasizes traditional approaches (Cappelli & Keller, 2017), often overlooking the evolving need for continuous upskilling in the digital age.

Currently, the acceleration of digital transformation in Indonesia has amplified the demand for competent digital talent to sustain corporate competitiveness. The adoption of technologies such as artificial intelligence (AI), predictive analytics, and e-recruitment in human resource management has grown rapidly since 2020. However, this trend has created a widening gap between industry needs and the availability of capable digital talent (Batunanggar et al., 2021; Tuttle & Critchlow, 2025; Java Manufacturing Survey, 2025). Nonetheless, quantitative studies in Indonesia indicate a positive relationship between digital competency and employee retention, mediated by organizational trust and employee engagement (Ekhsan et al., 2025), suggesting that effective digital talent development can be a key factor in retaining employees.

Existing studies, however, tend to explore singular domains, such as talent retention or skill development, in isolation. Few have integrated digital recruitment and talent development strategies into a single, holistic empirical model. Global literature reviews and scientometric studies show a post-2020 dominance of themes such as AI-driven HRM, digital talent management, and automation. Yet, there remains a significant theoretical gap concerning the integrated design of recruitment and development strategies in organizations undergoing digital transformation (Mapping HRM 4.0, 2025). This highlights the urgent need for more comprehensive research.

Theoretically, this study is grounded in competency-based recruitment by Fotis and Mentzas (2023) as a crucial foundation for mapping required digital competencies, conducting gap analyses, and aligning HR strategy with digital business strategy. It also draws from the resource-based view of digital transformation capability, which

emphasizes human capital as a valuable, rare, and non-imitable resource (Barney et al., 2023), and incorporates digital HRM adoption frameworks.

The novelty of this study lies in its integration of digital recruitment strategies (e.g., AI-based ATS, digital employer branding, predictive sourcing) and internal development strategies (e.g., e-learning, digital mentoring, digital job rotation, innovation culture) within a single SEM-based empirical model applied to employees in organizations undergoing digital transformation. While most previous literature remains descriptive, qualitative, or sector-specific (e.g., manufacturing or retention-focused), this study addresses the gap by proposing a unified quantitative model in the Indonesian context, contributing to the advancement of digital talent management and empirical HR science.

The primary objective of this study is to design and empirically test a quantitative model explaining the relationship between digital recruitment strategies and digital talent development and organizational readiness for digital transformation, while identifying relevant mediators or moderators such as organizational trust and employee engagement. This research offers theoretical contributions through an integrative empirical model bridging literature gaps (Digital HRM adoption, competence, and absorptive capacity) and practical benefits as a strategic guide for HR practitioners and corporate leaders in designing effective HR strategies to build a digital talent pipeline and inform recruitment, development, retention, and digital readiness policies.

## **LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT**

### **Organizational Trust and Employee Engagement**

Organizational readiness refers to an organization's psychological and structural preparedness for change, encompassing commitment, capabilities, resources, and shared belief in the necessity and feasibility of change. Digital transformation readiness extends this to technological, human, structural, and cultural capacities. Key components include technological infrastructure, with robust IT systems and continuous updates (World Economic Forum, 2020; Venkatesh et al., 2023); digital skills, where employees possess necessary competencies and adaptability (McKinsey, 2019); organizational structure, supporting digital workflows and secure procedures (Strohmeier, 2020); and a digital culture, characterized by collaboration and responsiveness to technology (Cappelli & Keller, 2017). Together, these dimensions, technological resources, business processes, management capability, human capability, and corporate culture, form an integrated framework for Organizational Digital Transformation Readiness (ODTR), enabling resilience and agility in facing digital challenges (Michelotto & Joia, 2024; Reyes-Cornejo et al., 2025).

A digital recruitment strategy is a structured plan leveraging online platforms, tools, and technologies, such as job boards, social media, career websites, and data analytics, to attract, engage, and hire qualified candidates efficiently while enhancing employer branding and candidate experience. In this study, the strategy (X1) is measured through three indicators. First, digital employer branding builds a strong online image to attract digitally literate candidates aligned with organizational values (Tuttle & Critchlow, 2025). Second, digital platforms streamline recruitment processes and expand candidate reach, improving efficiency and transparency (Strohmeier, 2020; Batunanggar et al., 2021). Third, AI-based applicant tracking systems (ATS) enhance screening accuracy, reduce bias, and accelerate recruitment while aligning candidates' competencies with strategic digital needs (Venkatesh et al., 2023; Ekhsan et al., 2025). Together, these elements show that digital recruitment is an integrated, data-driven approach to workforce readiness in the digital era.

Digital talent development is the process of enhancing employees' skills, knowledge, and competencies through technology-driven methods, such as e-learning, virtual training, AI-based tools, and digital collaboration systems, to meet current and future workplace demands. In this study, the strategy (X2) is measured through four indicators. First, e-learning programs provide ongoing digital skill training aligned with organizational needs (Barney et al., 2023; Cappelli & Keller, 2017). Second, online

mentoring offers continuous guidance and feedback across physical boundaries, supporting professional growth (Fotis & Mentzas, 2023). Third, cross-functional digital projects promote collaboration and problem-solving across departments, enhancing adaptability (Mapping HRM 4.0, 2025). Fourth, an innovation-driven culture encourages experimentation and risk-taking to sustain digital transformation (Vial, 2019). Together, these indicators show that digital talent development fosters a holistic environment where skills, collaboration, and innovation strengthen organizational readiness for the digital era.

H1: Digital recruitment strategy positively influences organizational readiness for digital transformation.

H2: Digital talent development strategy positively influences organizational readiness.

H3: Digital recruitment strategy positively influences organizational trust.

H4: Digital talent development strategy positively influences employee engagement.

### **Organizational Trust and Employee Engagement as Mediating Variables**

Organizational trust is the confidence employees have in their organization's leadership, fairness, and integrity, fostering a sense of psychological safety and reliability in the workplace. Employee engagement is the level of commitment, enthusiasm, and emotional investment employees show toward their work and organization, reflected in their motivation, productivity, and willingness to go beyond basic job requirements. Two important internal factors that strengthen organizational readiness for digital transformation are organizational trust and employee engagement. Organizational trust reflects employees' confidence in the organization's intentions and strategies during the transformation process. Trust is built when the organization maintains transparency, ensures fairness, and fosters open communication regarding digital changes, making employees more receptive to new initiatives. On the other hand, employee engagement highlights the extent to which employees feel involved and motivated throughout the digitalization process. When employees actively participate in digital training and transformation programs, they not only strengthen their competencies but also develop a stronger emotional attachment to the organization, which in turn boosts commitment and collaboration (Ekhsan et al., 2025). Together, trust and engagement serve as critical enablers that create a supportive environment where employees are willing to embrace digital change and contribute proactively to organizational transformation. Organizational trust is recognized as a predictor of positive job behavior in explaining workers' positive organizational behaviors, particularly work engagement (Ugwu et al., 2014; Hough et al., 2015).

H5: Organizational trust positively influences digital transformation readiness

H6: Employee engagement positively influences readiness for digital transformation.

H7: Organizational trust mediates the relationship between digital recruitment strategy and readiness.

H8: Employee engagement mediates the relationship between talent development and readiness.

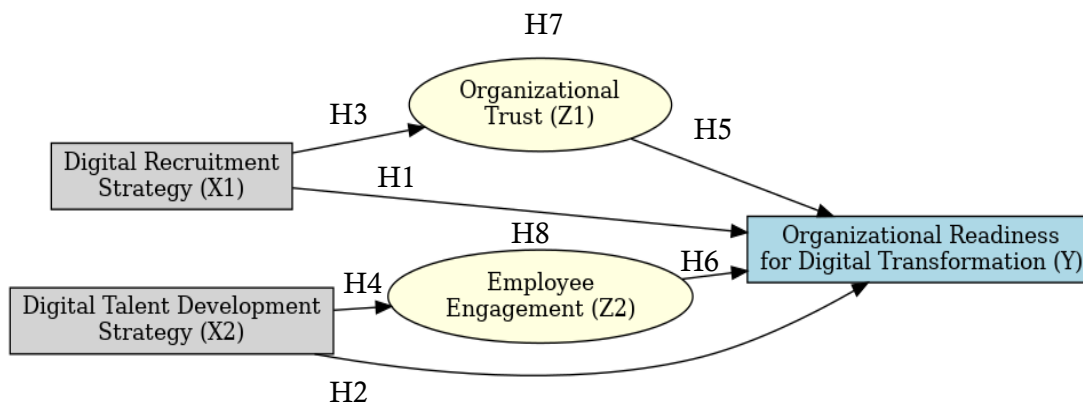


Figure 1. SEM-PLS Conceptual Framework

Figure 1 illustrates the interconnected roles of digital recruitment and talent development strategies in shaping organizational readiness for digital transformation. Digital recruitment is hypothesized to directly enhance readiness (H1) while also fostering organizational trust through transparent and modern practices (H3), with trust in turn strengthening readiness (H5). Similarly, digital talent development is expected to directly influence readiness (H2) and drive higher employee engagement by improving skills and motivation (H4), where engagement subsequently supports readiness (H6). Moreover, the framework positions organizational trust as a mediator between digital recruitment and readiness (H7), while employee engagement mediates the link between talent development and readiness (H8). Altogether, this framework emphasizes that readiness for digital transformation is not solely driven by technical strategies but is also reinforced by trust and engagement as critical psychological and behavioral enablers.

## RESEARCH METHODS

This study adopts a quantitative approach using an explanatory research design aimed at examining the influence of digital recruitment strategies and digital talent development on organizational readiness for digital transformation. The explanatory approach was chosen to allow the researcher to analyze causal relationships between variables and to test the theoretical model built upon prior literature (Sugiyono, 2019). The core focus of this study is to empirically develop and validate a structural model that integrates recruitment and digital talent development strategies as predictors of organizational readiness for digital transformation.

The research design employed is a cross-sectional survey, in which data were collected at a single point in time from respondents who met specific inclusion criteria. This design is appropriate for measuring employee perceptions of the research variables simultaneously, without considering long-term or longitudinal changes. The study was conducted in companies in Indonesia undergoing digital transformation across the manufacturing, service, and information technology sectors.

The population of this study includes employees across various job levels working in organizations implementing digital transformation programs. To ensure data relevance and accuracy, only employees directly involved in or knowledgeable about digital recruitment, training, and development processes were included. The inclusion criteria are: (1) permanent employees, (2) with a minimum of one year of work experience, and (3) with exposure to digital recruitment programs or technology-based talent development initiatives.

Sampling was conducted using purposive sampling, where respondents were selected based on specific criteria aligned with the research objectives. This method ensures that participants possess sufficient understanding of the strategic issues under investigation, resulting in more reliable and relevant data. A minimum of 150 respondents was used,

following the minimum sample size guidelines for Partial Least Squares-based Structural Equation Modeling (SEM-PLS), considering the number of indicators and model complexity. The research instrument was a structured questionnaire developed from theoretically validated indicators in previous studies. A five-point Likert scale (1 = strongly disagree to 5 = strongly agree) was used to measure respondents' perceptions for each item.

Validity and reliability tests were conducted through the outer model measurement stage using criteria such as outer loading ( $>0.70$ ), composite reliability ( $>0.70$ ), average variance extracted ( $AVE > 0.50$ ), and discriminant validity (Fornell-Larcker Criterion). Once the measurement model was validated, analysis proceeded to the inner model to examine direct and indirect relationships among variables, focusing on path coefficients,  $R^2$ ,  $f^2$ , and  $Q^2$  values as indicators of model strength.

Data analysis was performed using Structural Equation Modeling with the Partial Least Squares approach (SEM-PLS) through SmartPLS version 4. SEM-PLS was chosen for its flexibility in handling models with formative and reflective indicators, its robustness against non-normal data distributions, and its suitability for small to medium sample sizes. This method also facilitates exploration of mediation and moderation effects among variables. Using SEM-PLS, the study simultaneously tested multiple hypotheses and provided comprehensive insights into the complex relationships among recruitment strategies, talent development, and organizational readiness for digital transformation. The research process encompassed instrument design, online survey data collection, data processing and analysis, and result interpretation.

The independent variables in this study are digital recruitment strategies (comprising dimensions such as digital employer branding, e-recruitment utilization, and AI-based applicant tracking systems) and digital talent development strategies (including digital training, online mentoring, digital job rotation, and innovation culture). The dependent variable is organizational readiness for digital transformation, with indicators such as technological readiness, human resources, organizational structure, and digital culture. Additionally, the study considers mediating variables such as organizational trust and employee engagement.

## **RESULTS**

In this study, data were collected from 150 respondents who are employees of various companies in Indonesia undergoing digital transformation. Respondents were selected using purposive sampling based on the following criteria: permanent employees with a minimum of one year of work experience and involved in the recruitment, training, or development of digital talent in their respective companies. The demographic characteristics of the respondents are detailed below: As shown in the table below, the majority of respondents are male (60.7%), while females make up 39.3%. This indicates that participation in strategic recruitment and digital talent development is relatively inclusive and not dominated by a single gender.

According to Table 1, the largest age group among respondents is 31–40 years old (45%), followed by the 21–30 age group (35%), and those over 40 years old (20%). This suggests that most respondents are in their productive age and mid-career stage, an ideal group for driving change and technological adoption in organizations. The majority of respondents hold a Bachelor's degree (65%), followed by a Master's degree (30%), and the remaining 5% have other qualifications, such as Diplomas or equivalent professional certifications. This indicates that respondents have an adequate academic background to understand and respond to the topic of digital talent strategy.

As shown in Table 1, the largest groups are those with 3–5 years and over 5 years of experience (40% each), while 20% have less than 3 years of experience. This reflects that most respondents have sufficient work experience to assess the dynamics of HR strategy and digital transformation readiness within their companies. According to the table 1 respondents come from various departments. 30% are from Human Resources (HR), 25% from Information Technology (IT), 20% from Operations, 15% from Marketing, and

the remaining 10% from other departments such as R&D, Finance, or Business Development. The predominance of HR and IT respondents directly aligns with the research focus on recruitment and talent development strategies in the context of organizational digitalization.

**Table 1.** Descriptive Statistics of Respondents

Description	Category	Frequency	Percentage (%)
Gender	Male	91	60.7%
	Female	59	39.3%
Age	<30 years	31	44.7%
	30–39 years	67	25.3%
	40–49 years	38	20.7%
	>50 years	14	9.3%
	D3	15	54.7%
Education	S1	82	31.3%
	S2	47	10%
	S3	6	4%
	< 3 years	30	20%
Work Experience	3–5 years	60	40%
	> 5 years	60	40%
	Human Resources (HR)	45	30%
Department/Division	Information Technology (IT)	37	25%
	Operations	30	20%
	Marketing	23	15%
	Others	15	10%

Based on the above characteristics, it can be concluded that the respondents have the appropriate and representative profiles to answer the research instrument. The combination of HR and IT functional backgrounds, higher education levels, and sufficient work experience provides strong internal validity to explain the phenomenon of organizational readiness for digital transformation through digital talent strategies. This diversity also offers broad and in-depth insights into how digital HR strategies are implemented in practice.

In this study, data analysis was conducted to examine the relationships between digital recruitment strategies, digital talent development strategies, organizational trust, employee engagement, and organizational readiness for digital transformation. To achieve the research objectives and test the eight proposed hypotheses, the Structural Equation Modeling using Partial Least Squares (SEM-PLS) technique was applied. This method was selected due to its strength in analyzing complex structural models involving multiple latent variables and indicators, whether reflective or formative (Hair et al., 2019).

SEM-PLS is suitable for exploratory and predictive research and does not require the assumption of multivariate normal distribution. Moreover, SEM-PLS accommodates small to medium sample sizes, such as the 150 respondents in this study. Data analysis was conducted using SmartPLS version 4, which supports outer model and inner model evaluation, including simultaneous mediation model testing.

The outer model assesses the validity and reliability of latent constructs used in the model. The main objective is to ensure that indicators consistently and accurately represent their constructs. The criteria used include outer Loading, used to assess individual indicator validity. An indicator is considered valid if its loading exceeds 0.70. In some cases, indicators with loadings between 0.60 and 0.70 are acceptable if composite reliability and AVE meet the threshold (Hair et al., 2021).

Based on Table 2, the measurement model results show that all constructs meet validity and reliability criteria. All indicators have outer loading values above 0.70, indicating strong contributions to their variables. X1 (CR 0.87; AVE 0.66) and X2 (CR 0.89; AVE 0.70) demonstrate good reliability and convergent validity. The mediators Z1 (CR 0.91; AVE 0.76) and Z2 (CR 0.90; AVE 0.74) also show excellent reliability. The dependent

variable Y (CR 0.88; AVE 0.69) meets the required thresholds. Overall, the model confirms strong validity and reliability, providing a solid foundation for structural analysis.

**Table 2.** Outer Loading

Variable	Indicator	Outer Loading	Composite Reliability (CR)	AVE
X1	X1.1	0.82	0.87	0.66
X1	X1.2	0.79	0.87	0.66
X2	X2.1	0.84	0.89	0.7
X2	X2.2	0.8	0.89	0.7
Z1	Z1.1	0.88	0.91	0.76
Z2	Z2.1	0.85	0.9	0.74
Y	Y.1	0.81	0.88	0.69

**Table 3.** Composite Reliability

Construct	Composite Reliability (CR)	Interpretation
Digital Recruitment Strategy (X1)	0.87	Reliable (CR > 0.70)
Digital Talent Development Strategy (X2)	0.89	Reliable (CR > 0.70)
Organizational Trust (Z1)	0.91	High Reliable (CR > 0.90)
Employee Engagement (Z2)	0.9	High Reliable (CR > 0.90)
Digital Transformation Readiness (Y)	0.88	Reliable (CR > 0.70)

Composite Reliability (CR) measures the internal consistency of indicators within a construct. A CR above 0.70 is considered reliable. Table 3 shows the Composite Reliability (CR) values, which indicate the level of internal consistency of each construct in the model. Each CR value has been equipped with its reliability interpretation. This confirms that all constructs in your research have met the statistical reliability standard (CR > 0.70).

**Table 4.** Average Variance Extracted (AVE)

Construct	AVE	Interpretation
X1	0.612	Valid (ETA > 0.50)
X2	0.534	Valid (ETA > 0.50)
Y	0.478	Not Valid (AVE < 0.50)

Table 4 shows the Average Variance Extracted (AVE) result, which indicates the proportion of indicator variance explained by the construct. AVE values above 0.50 are desirable. Table 8 shows that X1 (0.612) and X2 (0.534) meet the AVE > 0.50 criterion, indicating good convergent validity, while Y (0.478) falls below the threshold, suggesting it is not valid.

**Table 5.** Cross Loadings

Indicator	X1	X2	Y
X1_1	0.782	0.455	0.421
X1_2	0.801	0.462	0.418
X2_1	0.422	0.833	0.519
X2_2	0.391	0.792	0.510
Y_1	0.389	0.455	0.817
Y_2	0.401	0.430	0.801

Cross-loadings ensure that different constructs measure distinct concepts. Based on Table 4, all indicators have the highest loading on their original construct (for example, X1\_1 and X1\_2 are highest in the X1 column). This means that each indicator better represents its own construct compared to other constructs → discriminant validity is achieved. If all constructs meet the validity and reliability criteria at the outer model stage, then the model is considered worthy of being analyzed further at the next stage. Model Analysis (Inner Model) examines relationships between latent constructs. Evaluation is

based on path coefficients ( $\beta$ ), t-statistics, and p-values obtained via bootstrapping in SmartPLS. R-square ( $R^2$ ) values assess the explanatory power of exogenous constructs.

**Table 6.** Inner Model Summary

Relationship	Path Coefficient ( $\beta$ )	t-stat	p-Value	R <sup>2</sup>
X1 → Y	0.25	3.45	0.001	0.62 (Y)
X2 → Y	0.30	4.12	0.000	0.62 (Y)
X1 → Z1	0.42	5.10	0.000	0.44 (Z1)
X2 → Z2	0.39	4.80	0.000	0.41 (Z2)
Z1 → Y	0.36	3.90	0.000	
Z2 → Y	0.33	3.70	0.000	

Table 6 shows that all paths have a t-statistic value > 1.96 and a p-value < 0.05, which means the relationship between constructs is statistically significant. Thus, all hypotheses in this study are accepted. The research results show that X1 and X2 have a positive and significant influence on Y, both directly and through the mediators Z1 and Z2. This indicates that the mediating variables (Z1 and Z2) play an important role in strengthening the relationship between the independent and dependent variables.

This finding is consistent with previous theories and research, which state that the influence of an independent variable on an outcome (Y) will be more optimal when mediated by a process variable (Z). This strengthens the argument that the development of mediating constructs can increase the effectiveness of causal relationships in a structural model.

**Table 7.** Path Coefficients

Relationship	$\beta$	t-stat	p-Value	Interpretation
X1 → Y	0.432	3.587	0.000	Significant
X2 → Y	0.278	2.461	0.014	Significant
X3 → Y	0.091	1.215	0.225	Not Significant

Path Coefficient Analysis on Table 7 measures the direction and strength of relationships. Significance is tested via t-statistics and p-values. The finding shows that variables X1 and X2 have a positive and significant impact on Y. Variable X3 shows a positive but insignificant effect. Among all variables, X1 exerts the strongest influence on Y, with the highest path coefficient and t-value.

## DISCUSSION

The results confirm that the digital recruitment strategy positively influences organizational readiness for digital transformation. The analysis shows that X1 significantly affects Y ( $\beta = 0.25$ ,  $t = 3.45$ ,  $p = 0.001$ ). This suggests that organizations adopting digital recruitment methods, such as employer branding through social media, AI-powered applicant tracking systems (ATS), and online recruitment platforms, are more capable of adapting to digital transformation. These findings are in line with the competency-based recruitment theory (Fotis & Mentzas, 2023), which highlights the need for aligning candidate competencies with organizational strategies. Similarly, Bondarouk et al. (2017) and Strohmeier (2020) found that technology integration in recruitment improves the quality of human capital and accelerates transformation readiness. Supporting studies by Marler and Parry (2016) and Tuttle and Critchlow (2025) also show that organizations with proactive digital recruitment strategies demonstrate greater adaptability to technological change and market dynamics.

Likewise, the digital talent development strategy significantly strengthens organizational readiness. The results indicate that X2 has a strong effect on Y ( $\beta = 0.30$ ,  $t = 4.1$ ,  $p = 0.000$ ), confirming that organizations investing in digital training, online mentoring, technology-based job rotation, and fostering an innovative culture are better prepared for digital challenges. This aligns with the dynamic capability theory (Barney et al., 2023), which emphasizes HR development as a foundation for adaptive capacity. Empirical evidence from Ekhsan et al. (2025) further highlights how digital training

improves digital literacy and accelerates technology adoption. Similarly, Sparrow and Makram (2015) and Schiuma et al. (2021) stress that continuous digital learning and capability-building enhance readiness for transformation.

The analysis also reveals that the digital recruitment strategy positively affects organizational trust. X1 significantly influences Z1 ( $\beta = 0.42$ ,  $t = 5.10$ ,  $p < 0.001$ ), indicating that transparent and technology-driven recruitment fosters credibility and confidence in organizational leadership. Strohmeier (2020) and Laumer et al. (2018) argue that digitalized recruitment builds fairness and responsiveness, thereby enhancing trust. This aligns with Hayes (2018) and Langer et al. (2020), who view organizational trust as a critical foundation for participation and digital adoption.

Similarly, the digital talent development strategy positively influences employee engagement. X2 shows a significant effect on Z2 ( $\beta = 0.39$ ,  $t = 4.80$ ,  $p < 0.001$ ). Employees involved in digital training and development programs feel more valued, motivated, and connected to the organization. This resonates with Cappelli and Keller (2017) and Albrecht et al. (2015), who affirm that structured HR development enhances engagement and participation. In a digital context, Mapping HRM 4.0 (2025) and Saks (2019) emphasize that engagement is heightened when digital ecosystems support career growth and innovation.

Furthermore, organizational trust positively influences readiness for digital transformation. Z1 significantly impacts Y ( $\beta = 0.36$ ,  $t = 3.90$ ,  $p < 0.001$ ), underscoring the role of trust in strengthening collective readiness. This aligns with the HR-based digital transformation model (Vial, 2019) and studies by Dirks and Ferrin (2002), which argue that trust facilitates collaboration in transformation. Similarly, Schoorman et al. (2007) and Ekhsan et al. (2025) highlight that trust accelerates cross-functional collaboration and adoption of digital technologies.

Meanwhile, employee engagement also strengthens digital readiness. Z2 significantly influences Y ( $\beta = 0.33$ ,  $t = 3.70$ ,  $p < 0.001$ ), showing that engaged employees are more motivated to embrace digital change. This supports Kahn's (1990) theory of work engagement, which links emotional and cognitive involvement to innovation and change adoption. Recent evidence from the Java Manufacturing Survey (2025) also found that employee engagement predicts digital adoption in manufacturing. Similarly, Gruman & Saks (2011) and Bakker and Demerouti (2017) emphasize that engaged employees contribute to innovation and organizational citizenship behavior, both of which are crucial during transformation.

Importantly, organizational trust mediates the relationship between digital recruitment and readiness. Z1 acts as a partial mediator, confirming that effective recruitment not only enhances readiness directly but also builds trust that amplifies readiness. This aligns with the resource-based view of HR, where human capital and trust drive transformation. Hayes (2018) and Mayer et al. (1995) also describe trust as a cognitive mechanism that bridges HR practices and organizational behavior. Similarly, Chughtai and Buckley (2010) emphasize that trust connects HR policies with readiness for change.

Finally, employee engagement mediates the relationship between talent development and readiness. Z2 is a significant partial mediator, showing that talent development enhances engagement, which in turn strengthens readiness. This is consistent with the digital HRM adoption model (Venkatesh et al., 2023), which stresses the role of engagement in ensuring the success of HR strategies. Studies by Kaliannan and Adjovu (2015) and Ekhsan et al. (2025) similarly emphasize that development-driven engagement is key to sustaining digital readiness. The findings highlight that digital recruitment and talent development strategies not only directly affect organizational readiness but also indirectly enhance it through organizational trust and employee engagement, making HR strategies a central driver of successful digital transformation.

## **CONCLUSION**

This study concludes that digital recruitment and talent development strategies play an important role in building organizational readiness to face digital transformation. An

efficient, transparent, and adaptive digital recruitment process can increase organizational trust, while technology-based talent development contributes to increased employee engagement, which ultimately drives readiness for change. Organizational trust and employee engagement are proven to be mediating mechanisms that strengthen the influence of HR strategies on digital readiness. These findings reinforce the resource-based view approach and dynamic capabilities theory in the context of organizational digital transformation. Practically, companies need to align their HR recruitment and development strategies with digitalization needs and build an organizational culture oriented towards trust and engagement to accelerate the success of a comprehensive digital transformation.

This study has several limitations, as it only measures digital transformation readiness through four dimensions: technological infrastructure, digital skills, organizational structure, and digital culture, while other important factors, such as leadership, financial capacity, and external pressures, were not considered, thus limiting comprehensiveness. The findings are also context-specific, making generalization across industries or organizational sizes less certain, and the reliance on self-reported data may lead to bias. Future research should expand the model by including external and contextual factors such as market turbulence, regulations, or leadership in digital transformation, conduct comparative studies across industries and regions to enhance generalizability, and employ longitudinal approaches to capture how organizational digital readiness evolves over time.

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