

THE ROLE OF DIGITALIZATION ON THE RECRUITMENT AND SELECTION PROCESS OF HUMAN RESOURCES IN THE CREATIVE ECONOMY INDUSTRY (LITERATURE REVIEW)

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Abstract:

This article discusses the impact of digitalization on the recruitment and selection process of human resources (HR). The rapid advancement of digital technology has brought significant changes, including the business world, especially in HR recruitment and selection. Previously, traditional recruitment relied on conventional methods such as job advertisements in print media and the submission of applications via postal mail. With advancements in technology, such as online recruitment platforms, artificial intelligence (AI), and social media, companies can now reach a larger pool of potential employees in a more efficient and effective manner. This study uses a literature review method to explore three main aspects: 1) the role of digitalization in the recruitment and selection process of HR, 2) the benefits gained from implementing digitalization, and 3) the challenges faced by organizations in adopting this technology. The findings indicate that digitalization enhances recruitment efficiency by accelerating selection processes and expanding the candidate pool through tools such as applicant tracking systems (ATS), video interviews, and AI-based data analysis. However, challenges include dependence on technology, potential algorithmic bias, and digital skill limitations among applicants. Other issues that arise include the challenge of balancing technological efficiency with the need to assess cultural fit and soft skills, which cannot always be measured by algorithms. Furthermore, privacy and data security concerns are significant, as protecting applicants' personal information in the digital space is crucial. Although technology accelerates the process, companies must wisely manage issues for fair and effective recruitment.

Keywords: Digitalization, Recruitment, Human Resources.

Introduction

The creative economy industry is a sector that relies on human creativity, skills, and talent to produce high-value products and services, which integrate economic, artistic, cultural, and technological aspects. This sector includes various fields such as graphic design, music, film, animation, fashion, advertising, architecture, and digital technology, which often intersect and overlap. As one of the main drivers of the modern economy, the creative economy industry makes a significant contribution to job creation, innovation, and global competitiveness. In Indonesia, this sector has become an integral part of the economic development strategy, thanks to the support of the government and other stakeholders, which continually encourage collaboration between the creative sector and technology.

The development of digital technology has transformed almost every aspect of the business world, including the recruitment and selection processes for human resources (HR). In the creative economy industry, where innovation and creative expertise are highly valued, digitalization plays an increasingly important role. In the past, companies in this industry often relied on conventional methods such as face-to-face interviews, job advertisements in print media, and time-consuming manual selection processes. However, with technological advancements, many companies have now shifted to digital platforms to search for and select candidates, utilizing tools such as online recruitment applications, video conferencing, web-based tests, and the use of artificial intelligence (AI) in the selection process to find the right candidates. On the other hand, while digitalization brings convenience and efficiency, the adaptation process within the creative economy industry also presents its own challenges. Particularly in balancing the personal and technological aspects, where creativity and individual skills are often difficult to measure solely through data and algorithms. Therefore, it is important to further explore how digitalization affects the way companies in the creative economy industry conduct recruitment and HR selection, as well as how they integrate new technologies to create more effective and inclusive processes,

while maintaining the human values that are central to this industry. This study aims to analyze the role of digitalization in transforming methods in the human resource (HR) recruitment and selection process, the benefits of implementing digitalization in HR recruitment and selection, and the challenges faced by organizations in applying digitalization in HR recruitment and selection processes.

Iswahyudi et al. (2023) view human resource management (HRM) as a strategic and continuous process in managing the workforce to achieve organizational goals. According to Wardana (2023), HRM is defined as a strategic process in managing human resources, which includes planning, organizing, implementing, and controlling various activities related to the development, utilization, and maintenance of the workforce. One of the main focuses is the distinction between recruitment and selection: recruitment aims to find candidates for vacant positions, while selection focuses on choosing the right candidates to meet the strategic needs of the organization. HRM is also defined as the process of managing the workforce through various activities to ensure that the employees in a company possess the skills and competencies required by the organization (Darmawan, 2023). Human Resource Management (HRM) is a planned and integrated approach to managing the most valuable resources in an organization, namely employees, both individually and as teams, to contribute to the achievement of organizational goals (Iswanto, 2023).

In a study by Afifah and Harto (2024), digitalization in recruitment refers to the use of online platforms and digital technologies to support and accelerate the processes of searching for, attracting, and selecting talent. This process involves not only posting job vacancies on websites or social media but also using various digital tools that allow companies to build their brand awareness, facilitate direct communication with candidates through interactive features, and enhance the efficiency of the selection process through automation and data-driven filtering. The use of tools and technology platforms to facilitate various stages of recruitment, such as job vacancy distribution, candidate screening, and more efficient interview and selection processes, is referred to as digitalization in recruitment (Sudiantini et al., 2023). Fadli, Erliyani et al. (2024) explain that recruitment digitalization is a process that combines the efficiency of technology with human values in seeking candidates who not only have the right skills but also align with the values and character of the organization. Recruitment digitalization refers to the use of technology, data, and analytical tools at every stage of the recruitment process. This enables companies to collect, analyze, and make more strategic decisions regarding candidates and recruitment practices. Digitalization also includes the use of big data, internal platforms, and social networks to increase employee engagement in the recruitment process, turning them into active recruiters, and creating a more inclusive organizational culture. However, despite the use of technologies like ATS and AI, a human approach is still necessary in assessing candidate suitability (Fadli et al., 2024). E-recruitment is defined as a system designed to improve efficiency and reduce costs in the recruitment process (Sutrasna, 2023). E-recruitment is defined as an organization's use of the internet and websites in a simple way to attract potential candidates by collecting applications (Iswanto, 2023).

According to Marlina and Octaviani (2024), the advantages of recruitment digitalization include the ability to reach a wider pool of potential employees, regardless of geographic location. Furthermore, the recruitment process becomes more efficient as it reduces the use of paper and facilitates online document access. Digitalization also allows for easier communication between companies and potential employees through online applications, speeding up the selection and interview processes. By utilizing digital technology, recruitment becomes faster, more organized, and more flexible. Soleiman (2022) states that the benefits of digitalization in recruitment include increased efficiency in the recruitment process, as technology allows companies to access and assess candidates more quickly and accurately. Digitalization also simplifies the collection and analysis of candidate data, enabling companies to reach a wider pool of potential employees from various locations. Additionally, digitalization supports more effective candidate search and selection through tools such as Applicant Tracking Systems (ATS) and online platforms, which can also improve the overall quality of the recruitment process.

Ananda and Santosa (2024) explain that digitalization in the recruitment process, particularly for Generation Z, which includes e-recruitment, social media, and employer branding, offers several key benefits, including:

1. Improved Accessibility and Reach

Digitalization allows companies to access a larger number of job applicants from various locations, expanding the reach of candidate searches and making it easier for Generation Z candidates to find information about job opportunities.

2. Faster and More Efficient Processes

The use of digital platforms accelerates the recruitment process, from job posting to initial selection, thus speeding up the search for and selection of the right candidates.

3. Positive Impact on Generation Z's Interest

Digitalization, through channels such as social media and e-recruitment, can increase Generation Z's interest in applying for jobs, as this generation is more familiar with technology and more likely to use social media to search for career opportunities.

4. Enhanced Employer Branding

By leveraging digitalization, companies can build a strong image in the eyes of potential candidates, especially Generation Z, who are more attracted to companies with a modern image that adapts well to technology. This helps attract more high-quality applicants.

5. More Direct and Personal Interactions

Social media offers the opportunity for more direct interactions with potential applicants, providing clearer and more personalized information about the company, which increases Generation Z's interest in applying for jobs.

Digitalization in the recruitment and selection process certainly provides numerous benefits, but it also presents challenges for organizations. According to Fajriyani et al. (2023), digitalization in recruitment brings several challenges, including the need for organizations to adapt to new technologies that automate and streamline the recruitment process. These technologies can create gaps in assessing soft skills, cultural fit, and personal interactions, which are difficult to evaluate through digital platforms. Additionally, there are concerns related to data privacy, fairness in algorithm-based assessments, and the digital divide affecting both recruiters and candidates. Organizations must adjust their recruitment strategies to strike a balance between the use of technology and human judgment. According to Afifah and Harto (2024), one of the main challenges in recruitment is the overemphasis on efficiency through technology and automation, which neglects the personal relationships and transparency valued by millennials. Moreover, success metrics that are solely based on quantitative measures often overlook candidate quality and cultural fit, while the qualitative data used in assessments can be influenced by subjectivity, limiting deeper insights. Sutrasna (2023) states that the challenges of digitalization in e-recruitment include generational gaps in preferences and approaches to technology. This means that organizations need to develop flexible HR management strategies to accommodate different age groups and backgrounds. Furthermore, while e-recruitment can enhance efficiency and improve an organization's image, the quality of recruitment results is not always guaranteed, as electronic systems may generate a large number of applications that do not always reflect the right or qualified candidates. Dependence on technology can also reduce the personal interactions that are essential for evaluating cultural fit and alignment of values between candidates and companies. Another challenge is the increasing volume of incoming applications, which can make the screening process more difficult and affect the quality of selection.

Research Methodology

This study uses a literature review method by collecting and analyzing various references and previous research related to the role of digitalization in the recruitment and selection process of human resources. The aim of this study is to identify the changes, benefits, challenges, and impacts of digitalization in this field, as shown in the table below.

Table 1. Relevant Previous Research

No.	Author (year)	Previous Research Findings	Similarities	Differences
1	(Afifah and Harto, 2024)	Digitalization enhances recruitment efficiency by expanding reach and automating many aspects. Companies need to balance technology with a more personal approach to attract	Digitalization improves efficiency and reach in recruitment, but also presents challenges related	The focus is on the importance of balancing technology and personal interaction, particularly for

		millennial talent.	to the use of technology that may overlook human aspects.	attracting millennial talent..
2	(Fajriyani et al., 2023)	Digitalization enhances efficiency and objectivity through the use of AI and big data, but it also leads to a digital skills gap and potential bias in algorithms..	<ul style="list-style-type: none"> - Highlights the improvement in efficiency through technology. - Identifies challenges related to digital skills and potential algorithmic bias. 	Emphasizes the use of technology in an inclusive and cautious manner.
3	(Sudiantini, Dian, et al., 2023)	The use of ATS (Applicant Tracking Systems) and automated video interviews enhances efficiency and reduces human bias in the recruitment process. The main challenges are data security and candidates' digital skills.	The use of technology for efficiency in recruitment and challenges related to digital skills and data security.	Emphasizes the use of ATS and video interviews as key technologies in recruitment.
4	(Ananda and Santosa, 2024)	E-recruitment and social media accelerate recruitment and enhance company visibility, particularly for Generation Z. Challenges include data security and applicants' technological skills.	Digitalization accelerates the recruitment process and enhances company visibility, with challenges related to technological skills and data security.	Focuses on Generation Z and their preference for digital recruitment.
5	(Marliana and Octaviani, 2024)	Digitalization simplifies recruitment, but the digital skills gap and bias in algorithms remain challenges.	Digitalization enhances efficiency in the recruitment and selection process, but presents challenges related to digital skills and potential algorithmic bias.	Focuses on the phenomenology of Generation X and Millennial behavior in online interviews.
6	(Malihah and Normala, 2024)	Digitalization enhances the efficiency and accuracy of recruitment through the use of big data and digital platforms, but there are challenges related to digital competencies and data security issues.	<ul style="list-style-type: none"> - Digitalization improves efficiency and accuracy in recruitment. - Challenges related to digital competencies and data security. 	Focuses on an overview of the opportunities and challenges of digitalization in human resources.

7	(Agustono, Ristanti, Augusta, 2023)	Automation in recruitment enhances efficiency and accuracy, although challenges such as significant investment and dependence on technology remain.	Improvements in efficiency and accuracy through digitalization, along with challenges related to significant investment and reliance on technology.	More focus on automation in talent management and the challenges of investment..
8	(Faeni et al., 2023)	The use of digital platforms and big data accelerates the selection process, enabling faster and more accurate decisions. However, challenges such as dependence on technology and algorithmic bias remain.s.	The use of digital platforms to accelerate the selection process, with challenges related to dependence on technology and algorithmic bias.	Talent management influences human resource development in the digital era.
9	(Wahyudi et al., 2023)	Digitalization enhances transparency, objectivity, and efficiency in recruitment through the use of AI and online platforms, but challenges such as dependence on technology and reduced personal interaction need to be addressed.	Digitalization enhances efficiency, transparency, and objectivity in recruitment.	<ul style="list-style-type: none"> - The impact of digitalization on overall HR management, including aspects of transparency and objectivity. - Digitalization presents challenges due to the reduction in personal interaction.
10	(Husna et al., 2021)	E-recruitment through social media saves time and costs in recruitment, but there are challenges related to algorithmic bias and a lack of personal interaction.	The implementation of e-recruitment and social media to improve efficiency.	The use of social media in recruitment provides cost savings.

Results and Discussion

Changes in Recruitment and Selection Methods Through Digitalization

The implementation of digitalization in the recruitment and selection process is increasingly relevant across various sectors, including the creative economy industry. This industry, which prioritizes creativity, innovation, and specialized skills, is significantly influenced by technological advancements in identifying and recruiting the right talent. Like other sectors, companies in the creative economy are now relying more on digital platforms such as websites, social media, and recruitment apps to find candidates with creative and technical expertise. By leveraging technology, the search and selection process becomes more efficient, enabling creative companies to access a global pool of candidates without being limited by distance or location.

Applicant Tracking Systems (ATS), which are becoming increasingly popular among tech companies and large organizations, are also being adopted in the creative industry to screen and process applications more automatically and systematically, reducing reliance on manual selection. On the other hand, platforms such as Behance, Dribbble, and LinkedIn have allowed companies in the creative economy to explore digital portfolios and candidates' technical abilities before proceeding with further interviews. Digital-based selection processes allow companies to more quickly evaluate whether a

candidate's skills align with the company's needs. Video interviews, online skill tests, and the use of AI to analyze applications and candidates' work histories are making it easier for creative companies to choose the right employees. However, challenges remain, particularly in maintaining a balance between digital efficiency and the assessment of creative and cultural aspects that are difficult to measure through automated tools. Soft skills, adaptability, and cultural fit with the team and company remain important factors that must be carefully considered in HR selection in this industry.

Benefits of Implementing Digitalization in the Recruitment and Selection Process in the Creative Economy Industry

The implementation of digitalization in the recruitment and selection process in the creative economy sector brings significant advantages. One of the key benefits is the ability to access creative talent from around the world, without being constrained by geographical location. For example, platforms like LinkedIn, Instagram, or even YouTube allow creative companies to assess potential employees' skills through their portfolios, which can be directly viewed in the form of visual or audio works. This opens up opportunities for companies to discover top talent that might have previously been difficult to reach using conventional methods. In addition, the use of technology in selection processes accelerates the hiring timeline, from application to interview stages. Digital tools enable recruiters to evaluate candidates' technical skills through online tests or video presentations, reducing the time required to select the right candidate. This process is also more objective, thanks to data-driven tools such as AI and big data, which can identify patterns and match candidates more accurately. Beyond efficiency, digitalization in the creative economy industry also enhances the candidate experience. Faster and more direct communication through social media or instant messaging apps allows companies to provide real-time feedback, improving transparency and candidate satisfaction. This not only strengthens the relationship between companies and prospective employees but also has the potential to build a more modern, open, and innovative company image. In an industry that heavily relies on reputation and image, a company's ability to manage its recruitment process in a quicker, more efficient, and professional manner can be an added selling point in attracting the best talent in the global market.

Challenges Faced in Implementing Digitalization in the Recruitment and Selection Process in the Creative Economy Industry

However, alongside the various benefits, the creative economy sector also faces several challenges in implementing digitalization in the recruitment and selection process. One of the biggest challenges is the potential loss of the personal element in the selection process, especially when it comes to assessing creative skills that are often subjective and cannot be fully measured by algorithms or data. Creative skills, such as graphic design, visual arts, or writing, often involve ingenuity and style that are difficult to capture in rigid digital formats. Therefore, while technology can assist in screening candidates based on technical criteria, assessing creative aspects and the ability to collaborate within a team often requires a more human touch. In addition, algorithmic bias presents a significant challenge when using automated technologies such as AI and ATS in HR selection. Although these technologies are designed to improve objectivity, the algorithms used in selection tools can introduce bias, particularly if the data used to train the system is not representative or tends to favor certain preferences. In the creative economy industry, where diversity and inclusivity are highly valued, this can become a serious issue. Another challenge is the issue of data security and privacy. Given the large amounts of personal data collected through recruitment applications and digital platforms, companies must ensure that they meet strict security standards to protect candidates' information. The digital divide also poses a barrier, especially in countries or regions where access to technology is still limited. Candidates who lack digital skills or access to adequate devices may be hindered in the recruitment process, which can reduce diversity in the talent search.

Findings from the Literature Review

Based on the research objectives, which aim to analyze the role of digitalization in transforming recruitment and selection methods, the benefits of digitalization implementation, and the challenges faced by organizations in applying digitalization, most of the studies reviewed are highly relevant. These studies consistently demonstrate how digitalization, through online platforms, the use of AI, big data, and Applicant Tracking Systems (ATS), enhances efficiency and accuracy in recruitment and selection

processes. All of the previous studies are highly relevant to the analysis of the role of digitalization, which helps companies reach more candidates faster, with the benefits of digitalization manifesting in time and cost efficiency. Furthermore, the studies also identify emerging challenges, such as limited digital skills among applicants, the potential for bias in algorithms, and data security issues that need to be addressed. On the other hand, studies such as those conducted by Ananda and Santosa (2024), Marliana and Octaviani (2024), and Faeni et al. (2023) provide deeper insights into the challenges of digitalization implementation, including the importance of maintaining a balance between the use of technology and the personal interaction that is often lost in digital-based recruitment processes. Additionally, challenges related to technological dependence, the risk of high investment in digital infrastructure, and the digital divide in access to technology are highlighted as critical issues that need to be addressed. Overall, these studies provide a comprehensive overview of how digitalization is transforming recruitment and selection processes, highlighting both the advantages and challenges that organizations must navigate in implementing this technology.

Conclusion

Digitalization has brought about a significant transformation in the recruitment and selection process. While it offers advantages in terms of efficiency and candidate reach, companies must also address challenges related to candidate quality, technological bias, and cultural fit. Therefore, although technology plays a crucial role, an effective recruitment and selection process must still consider human aspects to ensure that candidates not only meet skill criteria but also align with the values and culture of the organization. In the creative economy industry, which heavily relies on collaboration, innovation, and individual skills, it is essential for companies to be wise in integrating technology with a human-centered approach. Technology should not replace but complement the recruitment process, prioritizing the core values of creativity, diversity, and culture that form the foundation of this industry.

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