Digitalization: A New Perspective towards Human Resource Management

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Abstract:

Digitalization of HRM is defined as the transformation of traditional HR functions into functions that make use of modern technology such as HR Bots, social media, digital certificates and other tools to ensure seamless operations. The purpose of this article is to identify the numerous benefits that Digital HRM may provide to an organisation. It also identifies the different roadblocks that may prevent organisations from embracing Digitalization of HRM. This research is based on secondary data. We evaluated various research papers for the goal of collecting data that is essential for delivering a proper insight about Digitalization of Human Resource Management.

**Keywords:** *Digitization, Artificial Intelligence, Human Resource Management*

Introduction:

The digitization of HR refers to the increasing use of digital technologies to drive business objectives in HR. HR departments are embracing IT system ownership to automate their procedures and advance corporate goals.

Many times in the business world, technology has aided in transformation. The expansion of computing devices in the twenty-first century, as well as the pervasiveness of the Internet, has multiplied the influence of technology. Without the usage of computer technology, no firm can function today. This effect can be seen in practically every aspect of company, including human resources, as technology continues to have a big impact on HR processes.

Whether it's recruiting, communicating with various stakeholders, measuring performance, or protecting data, technology is changing the HR role as we know it. Time is being spent more effectively than before as firms continue to adopt cloud computing and automation. The increased usage of automation technologies and cloud solutions is freeing up human resources to focus on strategy development and execution rather than monotonous duties. HRs can now focus on enhancing employee engagement, productivity, and connecting the human side of the organisation with business goals thanks to the use of technology to automate time-consuming duties like tracking employee attendance, work performance, and patterns.

Need for the Study:

This study aims to provide insight into how digitization will enhance and benefit an organization's HR practise, as well as to highlight how digitalization increases the profits in the organisation. The research also helps in identifying the various HR Operations which has been digitized due to technological revolution.

Literature Review:

1. Mohammad Yusuf M and Dr. Shubha Muralidhar (2019), in their paper “*A Study on Digitization of HR and its benefits to Human Resource Management*” says that the aim of the study was to identify various benefits of the organization can get through the digital HR. It also speaks about the various barriers that might come in the way of adopting the Digital HR. The study is based on secondary data were by many research papers were reviewed for the data. It is found digital transformation in organization can increase the efficiency and performance of the organization. Also it is found there might be resistance to change from employees for adopting the new technology.

2. Alexandra Paraskevu chytiri (2019), in his paper “*Human Resource Managers Role in Digital Era*” says that the aim of the study was to highlight HRM in the digital age, underline HR managers' tasks in today's firms, and address the influence of technological advances on HR practises. The author as under gone a conceptual approach for the study. It summarises current HRM definitions, discusses the impact of digital technologies in several HR sectors, and emphasises the new digital role of the human resource management as a result of the findings.

3. Manju Amla and Meenakshi Malhotra (2017), in their paper “*Digital Transformation in HR*” says that The study looked into the concept of digital transformation in HRM and how new technologies are assisting various HR roles and its staff. The study is completely based on descriptive and secondary data has been used for the same. It is discovered that the idea of "SMACI"THE WEB OF TECHNOLOGY, as well as the use of Artificial Intelligence (AI), HR Chatbots, Machine Learning, and Robot Process Automation (RPA), can make fundamental human resource management functions—recruitment, screening, interviewing, and onboarding—smarter, quicker, and more efficient.

4. Vanishree K and Raghavendra H in their paper “*A study on Implications of Digital Revolution in the field of HR*” says that the aim of the research was to investigate the impact of IT on HRM; to get familiar with HR jobs in the digital world; and to become familiar with the technologies that affect HRM. It is found that Various technical advancements, such as Interactive Voice technology, CD-ROM and Laser Disc technology, networks, client-server technology, Internet, World Wide Web, Relational Database Management System, Imaging technology, groupware, and so on, have altered the face of HRM.

5. Apoorva Trivedi and Lalitha Pillai (2020), in their paper “*HR: Digital Transformation 2020*” the authors say that the paper will look at the concept of digital transformation in HRM and how different technologies might help different HR roles and their employees. The study is completely descriptive in nature and secondary sources as been used. It is found that the notion of "SMACI," or the use of AI, HR Chatbots, Machine Learning, and Robot Process Automation (RPA) to make core human resource management functions (recruitment, screening, interviewing, and onboarding) smarter, faster, and more successful.

6. Stefan Strohmeier (2020), in his paper “*Digital Human Resource Management: A conceptual clarification*” says that the aim of this article intends to provide a conceptual definition of digital human resource management, as well as related terms such as digitization, digitalization, digital transformation, and digital disruption of human resource management. For the study of this research secondary data has been utilised. The findings point to a perspective on technology-based HRM that is not fundamentally different from earlier perspectives, but that embraces and develops the preceding perspective further.

Objectives Of the Study

1. To identify the benefits of digitization in HR operations.
2. To determine which functions have been digitised as a result of the technological revolution.
3. To understand if adoption of technology in HR operations will increase the performance of organization.

Digitization and HR:

a. Benefits of Digitization of Human Resource Management:

1. Time and Leave Management: Manual time/leave management can be devastating for any company. Digital HR can automate the time/leave management process, manage leave requests, track remaining leaves, and keep track of vital data.

2. Managing Information: Because all data is instantly accessible and up to date, digital HR simplifies the process of accessing all employees' essential information, as well as decision-making. Employees desire the same level of control over their HR information as they have over their professional emails and tasks. Employee access to sensitive information, on the other hand, can be restricted to ensure that the right information is provided to the right people at the right time. Maintaining all of the company's data, information, and content in a single, safe area ensures that it is available at all times.

3. Using data & Analytics: Digital HR can monitor areas like pre-selection, learning & development, and employee engagement as businesses begin to see the benefits data analytics can bring to the table. Learning to interpret this data can be quite beneficial to the HR function. Predictive analytics solutions placed at the disposal of the HR department can also aid in the improvement of HR operations and the satisfaction of employees.

4. Future Proof Recruitment: Mobile experiences that are seamless, data-driven pre-selection processes, and customised, AI-based on boarding programmes are all available. These are just a few of the many advantages of digital HR in the recruitment process. AI is anticipated to replace 16 percent of HR roles in the next ten years, according to a survey published by Undercover Recruiter in 2018.

5. Employee Development: Digital HR can help with learning and development activities and training. From performance reviews to training, it can support staff development. Regular assessments improve employee morale and provide incentives to maintain good work standards - the programme records the issues discussed, the feedback given, and the goals/objectives you set together.

6. Improve the employee experience: The distinction between their professional and personal life has blurred for millennials. They'll check their social media accounts during working hours, but they'll also check their work emails on weekends. As a result, they want to be treated like customers, and they expect their employer to provide a similar user experience in the digital workplace. Employees can collaborate closely on group activities and tasks using enterprise social platforms like Slack, Yammer, and Workplace by Facebook, and all users are kept up to date on the newest developments.

b. The ways to go Digitalization in HR:

1. Going Paperless: It's no surprise that many HR processes have not gone paperless in their daily operations, given the widespread usage of email and Microsoft Office. This entails massive stacks of documents for benefit claims, leave applications, and other assorted stuff, all of which necessitate a significant amount of tracking and organisation, to say nothing of the time required to handle them. One piece of paper would go across building floors to collect signatures for paperwork that required inter-departmental approval. Remember that HR departments in large corporations deal with hundreds, if not thousands, of pieces of paper every day. Not to mention the fact that some businesses pay data-entry clerks solely to enter data from paper documents into excel sheets.

2. Employee Self Service App: These days, mobile apps make everything easier. Employees' HR operations have been simplified thanks to the adoption of smart applications, which has changed how they engage with the company. Employees may have information at their fingertips without having to go to HR for transactional information thanks to mobile apps. This is the best example of "Employee Self-Service."

3. Automation in Motion: Hours of manual labour are eliminated with automation. The processing of hundreds of medical claims, for example, is a common example of a laborious operation that can be automated. The Health Metrics platform, for example, connects businesses with healthcare providers, allowing for cashless treatments, digital MCs, and unified invoicing through the platform. Corporates readily adapt its solution due to its novel approach, which answers an existing problem. Aside from that, manual labour is vulnerable to human error.

4. Recruiting through social media: With the rise of social media, the recruitment process has changed. LinkedIn, for example, has changed the way people present their profiles and has helped recruiters better comprehend one's past. Additionally, it helps in the assessment of a person's personality on other social media sites like Facebook.

6. VR for training: Practical, real-life experiences or practise are always better ways to learn. Companies may now recreate real-life scenarios during training thanks to the advent of virtual reality (VR).

For example, Walmart utilises VR technology to prepare employees in dealing with Black Friday sale frenzies. Simulations based on previous experiences and data will demonstrate how a crowd reacts to on-sale items, how to gauge customer flow in the store, and how to handle disputes and crowd control. Before heading out in the field, new employees get first-hand stories of what it's like dealing with real-life events.

7. People Analytics: It is critical that the company's perception of the personnel corresponds to the actual situation. Companies frequently make assumptions or rely on industry benchmarks, but are they reliable? Aside from that, as more millennials enter the workforce, businesses will need to adjust to changing demographics.

8. Digital Culture: Finally, the use of digital platforms in various HR procedures has resulted in the emergence of a new set of cultures that are relevant to the expanding millennial generation. With the retirement of the baby boomers and Generation X, the company's workforce will be dominated by millennials. According to a poll, there were 75.4 million millennials in the workforce in 2016, surpassing the 74.9 million baby boomers (ages 51–69) in the United States. This bunch of youthful and enthusiastic folks grew up with technology and knew how to make it work for them. Aside from that, they like this form of digital culture, which is inextricably linked to the other nine digitalisation behaviours outlined earlier.

c. HR Challenges in Digital Transformation

1. Creating a digital company culture: If a corporation wants to implement a digital strategy, it must first examine its corporate culture. The HR department can take a number of steps to improve the corporate culture and make it more adaptable to new digital technologies. First and foremost, HR should plan a variety of trainings, conferences, and other similar events to explain the new processes that the organisation will be implementing. More significantly, employees should be aware of the objectives that must be met through the use of digital technologies in their daily job. To boost communication and make teams nimbler, employees should get all of their questions answered.

2. Management Struggle: Managers will face difficulties as well. They'll have to adjust their management approaches to fit the new corporate culture. This will be difficult, particularly for more senior managers who have been following the same management style for years. As a result, HR should lead initiatives and assist managers in overcoming roadblocks on the path to digital transformation. Managers must support all employees of the organisation, regardless of their position in the hierarchy. The rigid hierarchy should now be replaced with a more flexible and innovative approach.

3. Transforming HR Processes: The new business strategy should also be reflected in HR operations. They should be turned into nimble and adaptable activities that can quickly adapt to changing circumstances. The on boarding and training processes should be made easier. Employee incentives, like the new company culture, should be digitally centred. Create a reward system that encourages creativity and improved performance. It's also a good idea to digitise skills training. Look for innovative technology that can help you automate your procedures, manage your community through digital channels, and improve by leveraging data.

4. Employee Resistance to Change: When a new technology is implemented, employees begin to fight it. This resistance to change on the part of employees provides a higher barrier to upgrading.

5. Finding the best talent: Finding the top talents in your geographic area will get more difficult as you require employees who are experts in more modern technology. As a result, you should take advantage of the benefits of digital transformation and seek out more unconventional solutions.

d. The Various HR Operations which is Digitized

1. Recruitment and Selection: Artificial intelligence paved the path for hiring the best candidates for the job, resulting in the creation of HR Bots. We can shortlist an applicant and schedule an interview using HR Bots, and the HR Bot will notify the HR Manager about the candidate's profile.

2. Employee Training: The HR Bots will also assist employees in gaining access to numerous websites where they can be trained on certain skill sets and knowledge. It will also direct them to a number of skill evaluation websites that will allow them to test their knowledge and develop their abilities.

3. Employee Benefits Enrollment: As a result of digitalization, employees may now enrol for various benefits such as insurance, PF, and ESI online, saving time.

4. Performance Management: Tracking employees' job status has been much easier thanks to technological advancements, which allow us to see how much of an employee's work has been finished and how much remains. When we notice that an employee's performance or output is declining, we can provide timely feedback to that person.

5. Rewards and Recognition: When an employee completes his or her work or a project successfully, the company can award him with E-Certificates and honour him by posting his photo on the company's website as star employee of the month. Employee happiness and engagement will increase as a result of this.

Findings:

1. HR digital transformation improves the efficiency and performance of the organisation.

2. Organizations utilise HR Bots for recruitment, problem-solving, and obtaining employee benefits.

3. Using Digital HR allows a firm to become more competitive and creates Benchmark.

4. Finding the proper applicant for a job that involves digital HR is a difficult process.

5. Employee resistance to change is a significant obstacle to implementing new technology in the organization.

Conclusion:

Almost all HR activities have been impacted by the Digital Revolution. It has decreased the strain on HR departments by automating regular HR procedures. Human Resource departments can now play a more strategic role in the company's success. To increase its performance, every company should look ahead to digital transformation. The benefits of digital transformation are bigger in terms of improving an organization's earnings and sales. HR functions that are converted to digital will boost employee performance and eliminate errors. However, the transition from traditional HR to digital HR comes with a high expense, which makes it difficult for some small businesses to make the switch.

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