

DIGITALIZATION: A NEW PERSPECTIVE TOWARDS HUMAN RESOURCE MANAGEMENT

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 aim of this paper is to identify the numerous benefits that Digital HRM may provide to an organization. It also identifies the different roadblocks that may prevent organizations from embracing the 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 into the Digitalization of Human Resource Management.

Keywords: Digitization, Artificial Intelligence, Human Resource Management

Author

Mohammad Yusuf M
Assistant Professor
Department of Management
East West College of Management
Bangalore, India
yusufm722@gmail.com

I. INTRODUCTION

The Digitization of HR refers to the increasing usage of digital technologies to drive business goals 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 ubiquity of the Internet, has multiplied the influence of the technology. Without the usage of computer technology, no firm can function today. This effect can be seen in almost every aspect of the company including the human resource department, as technology continues to have a big effect on HR processes.

In the case of recruiting, communicating with various stakeholders, measuring the performance, or protecting information, technology is changing the HR role as we know it. Time is spent more effectively than before as many firms continue to implement automation and cloud computing. Utilizing automation technology and cloud services more frequently frees up human resources to concentrate on developing and implementing strategies rather than doing tedious tasks. Thanks to the advent of technology to automate time-consuming tasks like tracking employee attendance, work performance, and patterns, HRs can now concentrate on improving employee engagement, and productivity, and linking the organization's human side with business goals.

II. NEED FOR THE STUDY

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

III. 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, Recruitment, screening, interviewing, and onboarding are core human resource management processes that can be smarter, faster, and more effective with the use of AI , Machine Learning, Robot Process Automation (RPA) and HR Chatbots.
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 research will focus on the concept of digital transformation in Human Resource Management and how various technologies might help different Human Resource roles and their employees. The paper is completely descriptive and data is completed depending on secondary sources. The idea of "SMACI," or the application of AI, HR Chatbots, Robot Process Automation (RPA), and Machine Learning is discovered to make basic human resource management functions—recruitment, screening, interviewing, and onboarding—smarter, quicker, and more effective.
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 HRM, as well as associated terms such as the digitization, digitalization, digital transformation, and digital disruption of HRM. For the study of this Paper 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.

IV. 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.

V. DIGITIZATION AND HR

1. Benefits of digitization of human resource management:

- **Managing data:** Digital Human resources makes it easier to access and make decisions by streamlining access to all data, which is always current and readily available. The same amount of control over their HR information as they do over their work-related communications and assignments is something that employees want. On the other hand, it is possible to limit employee access to sensitive data to make sure that the appropriate information is delivered to the appropriate individuals at the appropriate time. It is always accessible when all of the company's data, information, and content are kept in a single, secure location.
- **Time and leave management:** Manual time and leave management can be devastating for many companies. Digital Human Resource can automate the time and leave management process, manage leave requests, track outstanding leaves, and keep track of vital data.
- **Future proof hiring:** There are offered seamless mobile experiences, data-driven pre-selection procedures, and personalized AI-based onboarding programs. Among the many benefits of digital HR in the hiring process, these are just a few. According to a 2018 survey by Undercover Recruiter, AI is predicted to replace 16 percent of HR roles over the next ten years.
- **Enhance the work environment for employees:** For millennials, the line separating their personal and professional lives has become hazier. While at work, they'll check their social media accounts, but they'll also check their emails on the weekends. They desire to be treated as clients as a result, and they anticipate that their company will offer a comparable user experience in the digital workplace. Using business social platforms like Slack, Yammer, and Workplace by Facebook, employees can closely engage in group activities and tasks while staying up to current on the latest developments.
- **Employee development:** Training and learning initiatives can benefit from digital HR. It can aid staff development by supporting everything from performance reviews to training. Regular reviews boost employee morale and offer incentives to uphold high levels of work; the application keeps track of the topics addressed, the criticism provided, and the goals and objectives you create together.
- **Using data and analytics:** As firms start to recognize the advantages data analytics can offer, digital HR can monitor functions including pre-selection, learning & development, and employee engagement. The HR function can benefit significantly from learning how to evaluate this data. The HR division may benefit from having access to predictive analytics tools to enhance employee satisfaction and HR operations.

2. The ways to go digitalization in HR:

- **HR analytics:** It is crucial that the company's view of its employees matches reality. Companies commonly rely on industry benchmarks or make assumptions, but are they accurate? Aside from that, businesses will also need to adapt to shifting demographics as more millennials join the workforce.
- **Going paperless:** Given the extensive use of email and Microsoft Office, it is not surprising that many Human resource processes have not transitioned to becoming paperless in their everyday operations. This means enormous mountains of paperwork for leave requests, benefit claims, and other items that all demand a great deal of tracking and management, to say nothing of the time needed to process them. One piece of paper would go across building floors to collect signatures for paperwork that required inter-departmental approval. Keep in mind that large firms' Human resource departments handle hundreds or even thousands of pieces of paper each day. Not to mention the reality that some companies pay data entry clerks to do nothing more than input data from paper documents onto excel sheets.
- **Automation in motion:** Automation eliminates hours of laborious effort. One frequent instance of a time-consuming task that can be automated is the processing of numerous medical claims. For instance, the Health Metrics platform links companies with digital MCs, enabling cashless procedures, healthcare providers, and unified invoicing via the platform. Its innovative strategy, which provides a solution to an existing issue, encourages corporate adoption of the solution. In addition, human mistakes can occur during manual labor. The best illustration of "Employee Self-Service" is this.
- **Employee self-service app:** These days, everything is easier thanks to mobile apps. The introduction of smart applications has simplified employee human resource management and altered how employees interact with the business. Thanks to mobile apps, employees will have access to information without having to go to Human Resources for transactional information. The best illustration of "Employee Self-Service" is this.
- **Digital culture:** The usage of digital platforms in various Human resource procedures has caused in the emergence of a new set of cultures that are pertinent to the growing millennial generation. With the retirement of the baby boomers and also Gen X, the company's human resources will be dominated by majority of millennials. A survey found that 75.4 million millennials (aged 18 to 34) were employed in the United States in 2016, surpassing the 74.9 million baby boomers (aged 51 to 69). This group of young, energetic people has grown up with technology and knows how to use it to their advantage. In addition, they enjoy this aspect of digital culture, which is closely related to the other nine behaviors of digitalization that were previously listed.
- **Recruitment through social media:** With the growth of social media, recruitment has changed. LinkedIn for example has changed the way individuals use to present their profiles and has helped recruiters better understand one's past. Additionally, it

helps in the assessment of a person's personality on other social media sites like Facebook.

- **VR for training:** Practical, real-life experiences or practise are always better ways to learn. Thanks to the development of virtual reality, businesses may now simulate real-world situations during training (VR).

For instance, Walmart uses Virtual reality technology to train staff on how to handle the Black Friday shopping frenzy. Simulations based on past events and data will show how a crowd responds to things that are on sale, how to judge consumer flow in the business, how to resolve disagreements, and how to control crowds. New employees hear first-person accounts of what it's like to deal with real-life incidents before going out into the field.

3. HR challenges in digital transformation:

- **Employee resistance to change:** When the latest technology is implemented employees begin to fight it. This resistance to change on the part of employees provides a higher barrier to upgrading.
- **Developing a digital company culture:** Before implementing a digital strategy, a company must evaluate its corporate culture. There are several actions the HR division may take to enhance business culture and make it more receptive to emerging digital technology. The organization's new processes should be explained in detail in a range of training sessions, conferences, and other related events, according to HR. More importantly, staff members need to understand the goals that must be accomplished through the use of digital technology on a regular basis. Employees should have all of their queries addressed in order to improve communication and make teams more agile.
- **Identifying the best talent:** Identifying the top talents in a specific geographical area will get more challenging as you require a workforce who are experts in modern technology. As a result, the organization should take the benefits of digital transformation and pursue out more alternative solutions.
- **Management struggle:** Managers will also experience many challenges. Their management strategies will need to change to accommodate the new business culture. This will be challenging, especially for senior managers who have used the same management approach for a long time. Therefore, HR should take the lead on initiatives and help managers get through obstacles in the way of digital transformation. No matter where they are in the organizational hierarchy, managers must help all staff members. It is now necessary to replace the strict hierarchy with a flexible and creative strategy.
- **Converting HR processes into digital:** Human resource operations should also be in line with the new business strategy. They should be transformed into nimble, flexible activities that can easily adjust to shifting conditions. Making the onboarding and

training procedures simpler is necessary. Employee incentives should be centered on technology, just like the new business culture. Make a system of rewards that promotes innovation and better performance. Another smart move is to digitize skill development. Find cutting-edge technology that can automate your processes, manage your community online, and help you get better by utilizing data.

4. The various HR operations which is digitized

- **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.
- **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.
- **Employee benefits enrolment:** As a result of digitalization, employees may now enrol for various benefits such as insurance, PF, and ESI online, saving time.
- **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.
- **Rewards and recognition:** When an employee completes his or her work or a project successfully, the company can award him or 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.

VI. 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.

VII. 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.

REFERENCES

- [1] Mohammad Yusuf M and Dr. Shubha Muralidhar (2019), “*A Study on Digitization of HR and its benefits to Human Resource Management*”, International Journal of Management, Technology and Engineering, Vol. 9, Issue: 5, ISSN: 2249-7455.
- [2] Alexandra Paraskevu chytiri (2019), in his paper “*Human Resource Managers Role in Digital Era*”, SPOUDAI Journal of Economics and Business, Vol. 9, Issue: 1-2, Pg No. 62-72.
- [3] Manju Amla and Meenakshi Malhotra (2017), in their paper “*Digital Transformation in HR*”, International Journal of Interdisciplinary and Multidisciplinary Studies, Vol. 4, No. 3, ISSN: 2519-7908
- [4] Vanishree K and Raghavendra H, “*A study on Implications of Digital Revolution in the field of HR*”, Research in Digital Revolution and New India, ISBN: 978-1-5136-2964-3
- [5] Apoorva Trivedi and Lalitha Pillai (2020), “*HR: Digital Transformation 2020*”, Advances and Applications in Mathematical Sciences, Vol. 20, Issue.2, Dec 2020, Pg No. 261-267.
- [6] Stefan Strohmeier (2020), “*Digital Human Resource Management: A conceptual clarification*”, German Journal of Human Resource Management, Vol.34(3), 345-365.

WEBSITES

- [1] <https://www.naukrirms.com/blog/five-changes-in-hr-due-to-technology/>
- [2] <https://smallbusiness.chron.com/technology-impact-hr-practices-37912.html>