

# Review on Digitalization of Human Resource Management Functions

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## Abstract

The article discusses the importance of digital HR transformation in organizations in the post-pandemic world. The COVID-19 pandemic has made it necessary for HR departments to prioritize restructuring the culture of organizations by adopting a hybrid working model that provides flexibility to employees. Digitalization has become an enabler that changes behaviors, communication, and interactions with customers and employees, and HR's role as a change agent is crucial in this regard. HR departments are being asked to lead the digital transformation sweeping organizations worldwide, and they need to support organizations in redesigning job roles with outcome-based performances. HR digital transformation is the process of changing operational HR processes to become automated and data-driven. The article explains that HR digitalization processes incorporate the use of digital channels and the use of social media platforms for recruiting, and it provides examples of HR functions that have successfully been innovated. The article concludes by emphasizing the need for HR to develop competencies as a strategic business partner to lead the organization's overall growth strategy based on digitalization tools.

**Keywords:** HR department, Hybrid working models, Reskilling, Digital transformation, Change agent and SMAC technologies

## Introduction

After COVID19 pandemic, restructuring culture in the organization is become foremost priority for the Human Resource department as organizations look for better healthy and flexible working arrangement. There is positive change, as organizations are adopting hybrid working models that provide benefits to employees who want to work from office and remote places. Looking to recent developments, HR is undergoing rapid and profound change. Human resource needs to support business organizations in redesigning job roles with outcome-based performances. This means HR will play an integral role in reskilling existing employees. Once viewed as a support function that delivered employee services, HR is now being asked to help lead the digital

transformation sweeping organizations worldwide. Though, corporates are adopting the new technology in changing environment but after COVID 19 pandemic, digitalization in every file demerged support system in capitalizing business opportunities.

HRM Transformation through digital tools is an external pressure for change in human behavior in an organization. Digitalization is an enabler that changes behaviors, communication and interactions with customers as well as employees. HR's role as change agent is very important. "If you change after change, you can survive, if you change along with change, you can succeed, but if you bring the change—you can lead. While leading the business, we need to create value for business and value is very important aspect whether it is for individual or for HR or for organization.

HR as a strategic partner, has a stronger business focus today, which needs overall growth strategy based on tools digitalization. Hence, HR competencies need to be developed because HR as a strategic business partner will have to usher in changes throughout organization. That way role of HR can be visualized in a broader sense, as they will have a global working which would not be possible without digital tools.

Modern businesses are using digital technologies to operate more efficiently. They use SMAC technologies, such as social media, mobile devices, analytics, and cloud computing to stay ahead of their competitors. Businesses also use advanced strategies like analytics, Machine Learning, AI, and Cloud computing to forecast and model their processes. Digitalization has made it easier for businesses to operate, allowing them to streamline their processes and become more agile, responsive, and adaptable to changing market conditions.

### **Objective of the paper**

The objective of this paper is to explore the ways in which hybrid working models, reskilling, digital transformation, change agent strategies, SMAC technologies, and social media platforms can be leveraged by organizations to adapt to the changing work environment and enhance their productivity, efficiency, and competitiveness. The paper

will examine the latest trends, best practices, challenges, and opportunities associated with each of these topics, and provide insights into how they can be effectively integrated and implemented within an organization's overall business strategy. Additionally, the paper will explore the potential impact of these technologies and practices on the workforce, the workplace, and the overall culture of organizations, and provide recommendations for organizations to successfully navigate these changes and embrace the future of work.

### **Review on digitization of HR Management function**

As a consequence, a new way of HR transformation is beginning to be seen underway. More organizations are utilizing social channels as their brand building platforms and additionally, to hire best talents. For example, in case of recruiting, companies now heavily use social media platforms like LinkedIn, Facebook for posting jobs & screening of prospective candidates for next stage of selection process. Interviews are now increasingly conducted over platforms like Skype. Attendance, payroll, leave etc. are all managed in a single portal which also acts as an interface with employee & the employer. All these processes are implemented not just for the sake of it but to drive business operations smoothly, minimize cost & time & ensure a friendly employee centric experience. HR digitalization process thus also incorporates use of digital channels. (Verlinden2018) has explained the top 15 HR digital Tech trends for the year 2018 as per Figure 1. In the past few years, there has been a rapid increase in the use of digital technologies in the Human Resource Management (HRM) function. Digitization of HRM function refers to the use of technology to automate and streamline HR processes, from recruitment to employee development and performance management. This review will discuss the various methods of digitization used in HRM and its impact on organizations and employees.

One of the most significant methods of digitization in HRM is the use of Applicant Tracking Systems (ATS). ATS software automates the recruitment process by filtering resumes based on keywords, skills, and experience. It saves

time and resources for HR professionals who can focus on more strategic HR activities such as candidate engagement and talent development. ATS also provides real-time data to HR teams to track the recruitment process, and they can make data-driven decisions.

Another important method of digitization in HRM is the use of Human Resource Information Systems (HRIS). HRIS software provides a centralized database that stores employee information, such as personal details, employment history, and performance records. HR professionals can easily access and manage employee data, which enables them to make better-informed decisions, such as promotions, training, and development programs.

Furthermore, digital learning platforms have emerged as an effective method of employee training and development. These platforms offer a range of digital courses, webinars, and other forms of training. They allow employees to learn at their own pace and convenience, which increases their engagement and knowledge retention. HR professionals can also track employee progress, and provide personalized training programs based on the employee's strengths and weaknesses.

In addition, social media platforms have also been used as a method of recruitment and employer branding. Companies can use social media platforms to post job vacancies, showcase their culture and values, and engage with potential candidates. Social media platforms also provide an opportunity for companies to build their brand and attract top talent.

The impact of digitization of HRM function has been significant. It has increased efficiency, reduced errors, and provided real-time data to HR professionals to make data-driven decisions. Digitization has also enabled HR professionals to focus on strategic HR activities such as employee development and talent management, which has resulted in increased employee engagement and retention. The use of digital learning platforms has also resulted in an increase in employee knowledge retention and development.

However, there are also some challenges associated with digitization of HRM function. The use of technology can

lead to a lack of personal touch and human interaction, which is crucial in HRM function. It can also lead to privacy concerns related to employee data, and the need for cybersecurity measures to protect employee information.

**Figure1. Top 15 digital HR tech trends**



Source: <https://www.digitalhrtech.com/digital-hr-trends-hr-tech-trends-2018/>

A recent survey of 15,000 Global HR professionals conducted by Frazer Jones and the HR TECH Partnership 2019 revealed some interesting results. That 95% of the HR community believes new technology will allow HR to become more efficient and strategic, while 77% believe digitization plays a key role. Whether we are talking about training employees, hiring fresh blood, ensuring that labor laws are respected, managing contracts, or handling paid vacations, HR processes are a vital part of every organization which ultimately needs Digital HR Tech, which forms part of HR innovation. After all, most of the HR technology out there aims to innovate existing HR systems and processes. As such, there are many examples of HR functions that have successfully been (partially) innovated.

In daily practice, it has been observed that organizations are now working on projects around HR Technologies. HR Tech is trending and it is a big business in the market. Solution providers are promoting and predicting large positive impacts of implementing their technologies. Often, these technologies are introduced as the solution to all HR problems. Enterprise Recruitment with thousands of applicants and a myriad of hiring managers to huddle down with, it requires a very special type of Digitalized recruiter to use the Enterprise Recruitment game which is dealt with

a full-blown digital revolution at the moment. Many smart brains from tech hubs around the world are working tirelessly to build software that helps us overcome the HR challenges we face on a daily basis. Enterprise ATS (Applicant Tracking System) is the most commonly used piece of technology within recruitment departments today. It serves as the backbone of hiring strategy (especially in Enterprise Hiring) and acts as the central hub of recruitment technology as an important tool of HR digitalization. In fact choosing the right ATS is not an easy endeavor.

Digital HR is a process optimization in which social, mobile, analytics and cloud (SMAC) technologies are leveraged to make HR more efficient. In other words, it's a tectonic shift in the way Human Resources function. The need to drive businesses processes forward & provide a better employee experience.

HR digital transformation is a contemporary topic for many HR professionals and for good reason, since digital technology has the potential and ability to transform HR. But while it's one thing to talk about digital HR transformation, it's an entirely different thing to do it! HR digital transformation is the process of changing operational HR processes to become automated and data-driven. (Verlinden 2017)

According to 'Deloitte (2017) Human Capital Trends report: 'It's about HR teams taking up the dual challenge of transforming HR operations on the one hand, and transforming the workforce and the way work is done on the other.'

Digital HR is the digital transformation of HR services and processes through the use of social, mobile, analytics and cloud (SMAC) technologies. Digital HR represents a sea change in both the approach and execution, although it takes place on a continuum as organizations progress. It is meant to improve both employee experience and organizational success by transforming the HR function from paper-based, reactive and time-consuming to digital-first, mobile and optimized. Its goals include improving employee engagement and retention and measurably augmenting the success of an organization by continually transforming in an agile way (Rouse 2018)

Digital HR uses data and analytics to measure progress at every stage of the employee life cycle, from recruitment to learning and development to retention and offboarding, with the intention of pivoting quickly when a given strategy does not work. It uses lightweight technology to support a focus on agile change, with tools such as pulse surveys and eNPS. Digital HR capitalizes on social media, such as social media recruiting and by incorporating, where appropriate, social media in learning strategies. And it embraces the consumerization of HR, reimagining HR self-service as a truly user-friendly experience for employees. Digital HR is not just about transforming HR technologically. Because one of the most important goals of digital HR is to take a strategic approach to HR, it reflects a proactive approach to aligning all the functions and goals of HR with business goals and partnering with other stakeholders to determine how best to do so (Rouse 2018)

### Digitalization of HR Functions

The digital revolution has been impacted by the advent of SMAC (Social Mobile Analytics and Cloud) technologies. This revolution is recent and has rapidly grown since the last decade. This has impacted functioning of operations of modern organizations which is day by day going digital. Within this HR Management, is also not left aside. In case of recruitment, it is increasingly seen that social media tools are becoming the medium of recruitment now-a-days.

Social Media Recruiting, Applicant Tracking Systems, Mobile Recruiting, Job boards and Career pages are the major trends that have great impact on recruitment process due to changing technology. Biometric attendance is now increasingly employed in mid to large organizations, educational instances to record attendance.

**Deloitte (2017) proposed broad list of human capital trends** – which identifies opportunities to close the gap between the pace of change and the challenges of work and talent management – six HR priorities emerge that stand to benefit from digitalization. Top digital transformation priorities for today's HR organizations concentrate on following areas.

1. Build the Organization of the Future
2. Careers and Learning
3. Talent Acquisition: The Cognitive Recruiter



4. Employee Experience
5. Performance Management
6. Leadership Development

Huge impact of digitalization can also be viewed on the HR functions such as Recruitment, Training & Development, Performance management, Payroll & Workflow management.(Samson and Rathee2018)

### **Digitalization in Recruitment**

E-recruitment is the use of web based which helps and support the recruitment process. The major ways of recruitment, which companies uses is through the company's websites, using social networking sites (SNS) for acquiring the database from online.(Samson and Rathee2018)

### **Digitalization in training and development**

The training procedure changed from elementary training activities like lectures, case studies, role play etc. to the more multifaceted techniques like technology based learning procedures i.e., through video, internet and computer based. Technology-based learning (TBL), computer-based training, interactive video, multimedia supported training technologies, the Internet, intranet (corporate-wide Internet systems) and virtual reality. (Samson and Rathee2018)

### **Digitalization in performance management**

The automated process of performance appraisal management organizations uses various performance management software's like Workforce Performance Management (WPM) Suite Systems and Talent Management Software, which helps to analyse the targets and analyse the result achieved as well as other data regarding employees.(Samson and Rathee2018)

### **Digitalization in payroll management**

The HRMS solution INC (2007) is one of the software that has helped creating general ledgers, making pay checks, run trial reports and flexible enough to make changes. Digitalization in payroll has helped the organisation to move towards the new cloud computing technology. (Samson and Rathee 2018)

### **Conclusion:**

In conclusion, the COVID-19 pandemic has led to a significant shift in the way organizations approach their human resource management. HR departments are now expected to take on a more strategic role and support businesses in their digital transformation efforts. Digitalization has become an enabler for change, allowing HR to improve efficiency, optimize processes, and provide a better employee experience. As a result, HR digital transformation has become a contemporary topic for many HR professionals.

Based on the above paper, some recommendations can be made. Firstly, HR departments should focus on developing their competencies and skills to support business growth strategies based on digitalization tools. This means reskilling existing employees to adapt to the new digital landscape and hiring new talent with the necessary digital skills. Secondly, organizations should invest in HR technology solutions that align with their HR goals and objectives, rather than adopting technologies for the sake of it. The right HR technology can help organizations streamline processes, improve efficiency, and provide a better employee experience. Lastly, HR departments should continue to play an important role as change agents, driving digital transformation throughout their organizations. By doing so, they can ensure that their businesses remain competitive and adapt to changing market conditions.

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