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A STUDY ON DIGITALIZATION IN HUMAN RESOURCES

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Abstract:

The COVID-19 pandemic has commenced in a new normal in the global economy, and businesses have embarked on a journey of rapid digital transformation. The advancement of digital technologies such as electronic devices, information systems, mobile or internet technologies, etc. which is presently known as the Fourth Industrial Revolution, generates real opportunities for organizations to focus their activities on core competencies and achievable goals. It is inexorable for human resource management (HRM) to adopt such an advancement that radically influenced businesses work and management. Businesses are looking to upskill their workforce in modern hybrid workplaces designed to be resilient to future outages. The future of the human resource function too, hence, lies in its digital transformation. Even though HR implies human connections, it must evolve with technology for a future that is both human and digital. They can do this by deploying digital platforms for employee engagement, introducing personalized training and skilling programs and using automation and analytics for insights and efficiency. In this paper the filtering is done by classifying the paper into two sections. The first section presents a general summary of the positive and negative aspects of Digitalization in HRM processes. The second section talks about the impact of digitalization on the various functions of HRM.

Key Words: Fourth Industrial Revolution, Human Resource Management, Digitalization, Examples of digitalization in HR, Functions of HR.

1. INTRODUCTION:

The world is constantly changing, every moment the circumstances (situation, environment, technology, etc.) change, any change affects the organization, whether in decision-making or in any area of organizational management. We are witnessing huge changes brought about by technology and therefore creating a completely different flow; it changed the attitude and business outlook. In fact, every day we have a fusion of technology in every sphere of life, every day we adapt our daily actions more and more to these changes, and as a result, technology generally makes our lives easier. This has made it one of the most current and

continuously studied topics. Every organization tends to have people within its ranks with the right skills and abilities to perform certain tasks, but this is only one of the many demands of the HR department. An obvious problem in all organizations today is human resource management, employee retention, turnover prevention, appraisal, etc. Today, organizations are using advanced methods and systems for human resource management. The influence of technology, especially information technology, is highly emphasized in economic knowledge, where information is the primary input. Human resource management has changed over the years from the traditional style of HR creating an HR strategy to the influence of technology in improving the quality of HR performance. (LUMI, December 2020)

2. LITERATURE REVIEW

This paper aims to review on the topic of HR and Technology to establish the current trends of HR Technology and, on this basis, to suggest some promising avenues for future research. Design/methodology/approach: The study consists of systemic review of articles and reports on HR and Technology. Findings: The findings contribute to a more holistic view of the topic and complete the study of HR and Technology. Additionally, a conceptual framework is proposed that aims at guiding and informing future research activities. Research Limitations / implications: This study may not have enabled a complete coverage of all articles and reports in the HR and Technology. Yet, based on the chosen research methodology, it seems reasonable to assume that the review process covered a large share of the studies available. Originality/ value: To the best of the author knowledge, no systematic literature review on HR and Technology has previously been published in academic journals. Keywords: Digital, HR, people management, analytics and apps.

3. RESEARCH METHODOLOGY

3.1.Objective of the Study

1. To investigate into the current status of development related to digitalisation human resource management and to explore its positive and negative impact on HRM.
2. To understand the Impact of digitalization of Human resource on various HRM functions.

3.2.Source of Data Collection

The research is entirely based on secondary source of information. The secondary data was collected from May 2022 to September 2022 for the purpose of writing the research paper.

4. DIGITALIZATION IN HUMAN RESOURCE:

Technologies are increasingly affecting our lives, traditional methods used to manage business processes are no longer sufficient. Complex business processes in enterprises have become manageable only with the help of technology. Digitization naturally affects HR processes as well as our whole life. Now, enterprise data management is more systematic and easily accessible in the digital environment. The use of technology by the new generation and the increase in the number of employees in the company have become more important in the digital transformation. Digitization in HR means the transformation of traditional HR processes using the latest technologies. Digitized HR brings sophisticated data-driven decision-making powers to organizations as all employee data is stored in one place for analysis and reporting. With digitization, it is expected that there will be process improvements in the areas of recruitment, performance management, talent management, employee engagement and HR analytics, which are part of HR processes. (Digitization in Human Resources Processes, 2020)

Digitization in HR companies can take a strategic approach to workforce planning and designing great employee experiences so they can lead in their industries by hiring and retaining the best people. (What is digitalization in HR?)

4.1. The positive impact of digitalization in HR

Like most technologies, HR automation programs have brought time and money savings to busy HR teams. Reducing manual processes and integrating quality data analytics has led to better HR decision-making and more efficient teams.

a) Better, more modern performance management

Modern business requires tools that support better reviews so you can always get the best out of your employees. An HR automation tool can track, measure, monitor and suggest performance improvements through a series of ongoing checks and ensure better communication between employees and managers.

b) Overall reduced cost

The deployment of digital technologies enables firms to save expenses due to the accelerated administration of processes and data.

c) Reducing margins of errors

Many organizations incur high costs due to human errors. The use of digital tools and software systems reduces the chance for human errors, helping ensure consistency and adherence to processes.

d) Optimizing processes

Automating repetitive tasks saves the HR team a lot of time and energy, thereby allowing them to focus on more critical tasks. Most IT leaders believe that automation technology can save departments between 10 and 50 percent on costs.

e) Saving material costs

Digitizing administrative tasks eliminates paperwork and stationery, reducing operational and storage costs. For example, storing information on a cloud-based system allows an organization to significantly reduce costs compared to traditional physical infrastructure management.³ Better recruitment and employee experience

f) Better recruitment and employee experience

HR automation has, as mentioned above, significant benefits for most recruiters. Traditional HR processes often fail to engage new candidates and potential employees well enough, while automated software can help not only use data to find better-qualified candidates, but also support collaboration between management and HR and better monitor and track all recruitment and onboarding activities. Automating recruitment and onboarding processes using HR automation can streamline recruitment processes, shorten the onboarding period, reduce errors, and improve overall communication and efficiency throughout the entire process.

g) Amazing Exposure

The benefit of digital recruitment is it helps the recruiter to find plenty of relevant candidates in a short time. Gone are those days where the recruiter was using newspapers or bulletin boards for job postings. Now, LinkedIn has replaced the newspaper, and relevant online groups have replaced bulletin boards. Finding the right candidate is just clicking away.

h) Improves efficiency

Digital recruitment helps the recruiter to manage candidates easily. The recruiter doesn't have to filter down the resumes. There are lots of digital tools present to do the task automatically. It frees up the time for the recruiter to implement the other aspects of the recruiting strategy.

i) Better candidate experience

Digital recruitment is the right option for the younger generation. It improves the candidate experience, making it easier for them to engage with the brand. The candidate will get proper feedback at every stage, and the recruitment process will be faster.

j) Reduced Paperwork

A lot of documents need to be filled in the human resource department, which requires a lot of papers. Automating HR processes greatly reduces the paperwork involved leading to low costs of buying printing papers. Digitization reduces the paperwork required by employees and managers throughout various parts of the HR process, from recruitment through training and development to payroll administration. All employee details are captured in the system and stored in the form of digital data in the company's database. It also reduces errors in human data entry, which can be costly for employers if not caught early enough.

k) Enhanced communication

By using technology to streamline HR processes, you can free up time for employees and managers to spend on other important tasks. For example, if a new employee has just started and needs training in their first week on the job, it's much easier for them to access online training modules than to have a long face-to-face meeting with HR about why they need training.

The same goes for managers; they can spend less time on administrative tasks associated with employee files and more time developing their staff. A well-designed HR system also allows you to communicate important updates instantly and easily, which helps reduce the risk of confusion or miscommunication.

l) Improved data accuracy

With digital tools, you can collect accurate information more easily than ever before, making better decisions based on facts instead of assumptions or guesswork.

For example, if you have a recruitment process that involves multiple stages (i.e.,

advertising, attracting applicants, pre-screening). In that case, knowing how many people applied for each role and which ones were most qualified can be challenging. With the right digital tools in place, you can easily track this information and use it to inform future recruitment strategies—such as targeting specific types of candidates in specific locations based on their previous experience or qualifications.

m) Faster Updates

An automated HR system makes it easier to update employee details. It saves the company a lot of valuable time as the database administrator only needs to input the relevant information and it will be updated automatically. A terminated employee will have his details expunged fast from the database. This saves a lot of time and reduces the chances of errors cropping up later by a huge margin.

n) Improved quality

When you use technology to streamline human resource processes, it can also improve the quality of your data. This means that when you recruit new employees or perform annual evaluations, your information will be more accurate—which means better decisions and happier employees.

4.2. The negative impact of digitalization in HR

The potential downsides of HR include a less personal, more data-driven process, which some see as a disadvantage to unified company culture.

a) Initial costs

While automation in HR can help save businesses money in the long run through helping to assure quality hires and saving HR departments time and keeping the team on track and on budget, it can have a significant upfront cost associated with the setup and installation of new software systems and any associated training. This can be a potential disadvantage for small businesses especially. Pay as you go models can help you reduce costs by only paying for the features and data you need and scale up with time as your business needs change, but training and IT problems can still be time investments.

b) Reduced subjectivity

An HR automation system is a great tool for gathering and analyzing information. A good system can provide feedback on employee productivity and value and objective data can be

very useful for businesses across all areas. But too much objectivity removes some of the humanity from operations that are still very much people-centric. HR can get a lot of valuable information from automation in HR, but it can't tell the whole story. The HR staff is still needed to encourage and assess cultural fit and other factors that help create the most successful, dynamic teams. Being able to measure an employee's accomplishments can be extremely valuable, but it's important that the process doesn't become completely impersonal.

c) Lack of trust in digital data

Many people are still skeptical about the accuracy of the information stored in digital media. They fear that the data may not be trustworthy and reliable, especially when it comes to sensitive personal information like name, address, age, marital status, etc.

d) Lack of knowledge on how to use technology effectively

Organizations cannot fully use the available technology because their employees do not have adequate skills or training needed for their work objectives. This leads them towards choosing automation over human resources, resulting in job losses rather than hiring new people for various roles within an organization's framework.

e) Automation is a very useful tool, but it can also be a double-edged sword

When used correctly, it can help companies save money and increase their profits. If used incorrectly, automation can result in job loss and other negative outcomes. In order to avoid these negative consequences, companies must carefully consider how they use automation. They should also ensure that their employees are adequately trained with technology to transition into new roles within the company as needed.

5. IMPACT OF DIGITALIZATION ON THE VARIOUS FUNCTIONS OF HRM

5.1. Digitalization in Recruitment:

The recruitment business is the oldest business among the other service industries of the world. Recruitment is the process of pulling in potential candidates for the authoritative anticipated vacancies. Older recruitment processes required job seekers to shuffle through newspapers to find suitable jobs. For recruiters, it meant sorting through piles of applications to find the right candidate. E-Recruitment provides numerous digital apparatuses.

5.2.Talent Attraction

Due to digital transformation, international recruitment is becoming a “norm”. This not only creates great job flexibility (and appeals to candidates), but it also opens the door to diversity and inclusion. Before, it wasn’t possible for someone in Singapore to be working for a company in the United States. This has changed, and these employees can benefit from a great exchange rate - creating an attractive job market for technology employees across the world, and giving businesses access to a wider pool of talent. All hiring managers will be utilizing a multi-platform approach that combines social media with online job boards to expand their reach and identify and attract candidates. They can make the most of accurate targeting metrics on LinkedIn to directly connect to and network with prospective talent that would be a great addition to their team.

5.3.Talent placement

It would be the Human Resource Manager’s job to manually review applications for every job listing they made. In a large company, this was not a sustainable approach - and made recruitment a lengthy and time-consuming process which damaged candidate experiences. Today, Applicant Tracking Systems can easily review candidates and flag the best matches for your company. This:

- Eradicates human error.
- Successfully evaluates large pools of data.
- Aids accurate decision making.
- Reduces the time-to-hire.

Additionally, with the help of technology, businesses can start to conduct in-depth research on what their target candidates want in terms of salaries and benefits. They can review their current performance metrics and analyse what skills their team is lacking. From this, they can make an attractive offer to a prospective employee

5.4.Talent retention

A digital world means that candidates can easily look into what it’s like working for an organization; so, one of the biggest influencers in successful recruitment is the strength of the employer brand. This is largely decided by how well the company looks after the current employees. Retaining talent, therefore, should be a priority to anyone wanting to onboard new staff and fuel growth. To do so, employers need to put their needs first through the use

of HR technology. When they have digital platforms in place to manage their employees, they can ensure employees can:

- a) Easily communicate with their leads to provide feedback or make requests.
- b) Be paid the correct wages on time, every time.
- c) Review performance metrics for higher job satisfaction and engagement.

As a result, employees are much more likely to speak positively about the employer if asked and will encourage new hires to stay. Office morale will be much higher. According to research from OC Register, over 40% of the employees are most likely to quit within the first 6 months.

6. DIGITALIZATION IN TRAINING DEVELOPMENT:

IT instruments have affected the method for formal learning in a work place. In the era of digitalization, E Learning provides an enormous chance to the employees by making learning more interesting and attractive. "E Learning refers to the use of internet technologies to deliver a wide method for arrangements that enhance knowledge and performance". E-Learning refers to learning that depends on or is enhanced by electronic or online correspondence utilizing the latest information and correspondence technology". The preparation changes from fundamental preparing activities like lectures, case studies, role play etc. to the more complex techniques like technology based learning, video, internet and computer based. Numerous open and additionally private sector companies are receiving the concept of E-Learning.

6.1.Learning Management Systems (LMS)

An LMS is the core element of digitalized employee training. LMSs support creating and delivering learning materials to trainees, organizing collaboration and communication between trainers and trainees, assessing training results, tracking progress, and more. They are mostly used in online training but are also suitable for hybrid learning that combines traditional classroom training and e-learning. While earlier LMSs used to focus on course administration, modern systems center on learners and effective distribution of learning content.

6.2.Mobile applications

Mobile applications serve as an additional element of digitalized training and extend the capabilities of LMSs. M-learning allows for 24/7 access to training materials from mobile devices. Thus, learning becomes available even for employees working at distant locations. Mobile apps can also be used at a post-training phase to brush up employees' skills. For example, audio simulation apps can help employees practice communication with customers through simulations of real-life dialogues.

6.3.Extended reality technologies

There are also more advanced forms of digital transformation of employee training and development that can make learning experience immersive – extended reality (XR) technologies. These technologies are getting more widespread, despite high costs and time budget of creating and deploying 3D e-learning content throughout XR environments. XR includes virtual reality (VR), augmented reality (AR) and mixed reality (MR) technologies. All of them offer advanced learning opportunities for employees, especially in such practice-focused industries as manufacturing and healthcare.

Virtual reality immerses users in a completely artificial digital environment.

Augmented reality projects virtual objects on the real-world environment.

Mixed reality is an intermediate technology between VR and AR. Just like AR, MR projects virtual objects on the real-world environment, and it also anchors virtual objects to the real world enabling users to interact with them

7. Digitalization in Performance management:

The performance management process eliminates the traditional process of performance appraisals, employee reviews, and evaluations. Performance measures the employee efficiency and effectiveness in the achievement of hierarchical objectives. E-Performance Management is the arranging and implementation of Information technology in overseeing Performance Management System. E-Performance Management is the piece of E-HRM. Performance management software helps the HR to carry out performance of the employee in the best route, by sparing time and cost. Performance management software provides an innovative way to deal with employees' performance examinations. It provides performance

review as well as helped in increasing efficiency, relationship, behaviour, development and core competency. However, Performance management software will give you transparency and recognition along with the feedback and thereby help in improving the employee's engagement. As a result of which the software people can focus on company goals, evaluate performance, and measure the organization's results.

It continuously traces all the activities which are related to company goals. It is for employees, managers, and leaders. The software will tell the employees about their performance and contribution to the company's growth. (SSRN Products & Services)

7.1. Payroll Management

HR performs its payroll functions manually, it is bound to consume time. This manual method is cost-effective; but the HR personnel need to keep themselves updated with the constantly changing labour laws and tax related rules and regulations. Digitalization implies that the company decides to use payroll software. The use of the payroll software will ensure a number of benefits to the organization. It will become easy for the HR personnel to collect data coming from various sources in a seamless manner.

Good-quality payroll management software can help your company save money. However, the more the employees, the more a reliable tool is required to make payroll processing efficient. Some small businesses choose to do payroll manually, keeping payment notes in a spreadsheet or a specific document. Others choose to outsource this process to an accountant, bookkeeper, or third-party company. While these are all valid options, using payroll management software is another option. This technology handles all your payroll operations in-house, from recording data, calculating, filing, paying taxes, creating reports, and sending salaries to employees' bank accounts. Primarily, it will become easy for the HR personnel to collect data coming from various sources in a seamless manner. Payroll management software does all the tasks for your HR team in the quickest time possible, saving you time, overhead, and effort while maintaining a high level of accuracy.

7.2. Time and Attendance Management

Like payroll management, one full-time employee is required to manage employee attendance and leave processes, especially if there are workers from different locations or time zones.

Not only that, but organisations should also make sure that the employees are doing the right job at the right time. If there is a hybrid or a remote workforce, the more complex employee time and attendance tracking will be. Therefore sophisticated time management strategies can simplify all the complex tasks, reducing costs and errors.

With time and attendance software, business can:

- a) Save hours with administrative tasks and minimize the risk of human errors.
- b) Monitor employees' attendance.
- c) Reduce the cost of absenteeism.
- d) Prevent time fraud or payroll abuse.
- e) Create work schedules more effectively.

It can take a lot of time to collect manually, manage, calculate, and process information concerning time and attendance. However, with an automated time and attendance tracking solution, organizations can increase efficiency, saving money in the long run.

8. SUGGESTIONS

- a) **Connect people to your business strategy** through data and help executives know what they need to know about talent to make critical decisions in a timely manner
- b) **Unlock the workforce potential** through integrated technology that enables skills-based management, development and deployment of your people
- c) **Enhance employee experience** by deploying automation, AI and chatbots to provide real-time and simple user interface to HR processes, policies and systems
- d) **Achieve higher degrees compliance** of data security and personal information handling as efficiently as possible through automation and streamlined processes

9. CONCLUSION:

Digitization of the human resources department is a new topic of interest for the business environment, a complex process involving digital actors, but also the investment of important financial resources. The transition from a traditional HR department with an administrative role to a new HR department with a strategic role in the organization that they are part of is characterized by gaining the trust of management in terms of its contribution to strategic decision-making, but also the management of the organization's most important

resource, human resources. The phenomenon of digitization is spreading rapidly. Jobs known until yesterday will be replaced by new ones focused on the use of advanced technologies. By default, the digitization of the personnel department will look different over time. The epidemiological period taught us to breathe everything related to online digitization. The new generations entering the workforce are a digital workforce, so HR professionals are tasked with creating and delivering a 'digital workforce', all of which forces departments to go digital. The tools used in companies, the introduction of new technologies and sudden changes make the work of HR professionals difficult, but sometimes test their mental resilience, as there may be situations where a lack of digital skills can be a barrier to HR delivery. Access to several companies in the country helped us to develop a broad view of the digital technologies currently used in the HR department, but also the benefits of using them. After analyzing the data, we obtained in our research; the goals we set were achieved. We can state that the digitization of the personnel department is perceived by the selected sample as a necessary process and should be used as a tool that brings a number of advantages, but also disadvantages, depending on the case. It is about the use of technologies that make the work of specialists more efficient. Advances in technology do not create fear among employees, it conveyed the idea that robots will take their jobs, we noticed that this was rejected by those involved in the research. The measures introduced by the authorities in connection with the spread of the new coronavirus have forced many businesses to accelerate the implementation of digitization for their business. The results obtained in this research represent an overview of the topic of the paper. This topic is complex and the development of digitization will be observed in Romania during this period. The avoidance of human interaction will undoubtedly have an impact on individuals, and in this regard we propose to carry out a qualitative sociological study on employees in corporations to show whether digitization has contributed to the simplification of working relationships or created effects related to the lack of need for human interaction between colleagues.

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