Digital HRM – The New Digital Era In Human Resources

Abstract:

Technology has altered all walks of life. Any business process, function or strategy cannot be thought without the inclusion of a “Digital Element” in their operations. In today’s era of modernization it has become very essential to remove redundancy and adopt new age technology to collaborate with business function for their sustainable development. Hence it is very vital to keep up the pace to learn and adopt technological developments so that we can modify the function to gain competitive advantage. This automatically leads us to the concepts of “Digital HRM” which simply means integration of Human resource function with technology. It can also be viewed as performing the HR function with the help of technology which was traditionally not used. This paper focuses on the concept of “Digitization” in Human Resources function and how new technologies are helping various HR functions and its service delivery agents (employees) to achieve their business objective. The main objective of this research paper is to highlight changing role of digitization in organizations that has modified the methods and processes of working in the organization with reference to its functional specification. Citing few examples like Reliance Jio and Bank of Baroda the paper enumerates the working of organizations by using digital tools in their various HR practices.

KEYWORDS: Digital HRM, Digitization, Human Resources

Research Methodology

This is a research is descriptive in nature on basis of secondary data sources. The secondary sources of data include websites containing company reports, blogs of experts, research papers, surveys conducted by global research organization, thoughts and writings of various researchers in the stream of academic and corporate industry. This also includes references from various books, national and international articles and business magazines to support the stated objectives.

Research Objectives

1. To gain a conceptual understanding of Digital HRM.
2. To study digital transformation in Human Resource Management context.
3. To gain insight on integration of digitization and various HR function and practices.
4. To understand the working and successful implementation of digital tools with the help of Industry examples.

Introduction

Digital HRM is a way by which strategies, policies and practices can be effectively implemented. “An umbrella term covering all possible integration mechanism and contents between HRM & IT aiming at creating value within and across organisation for targeted employees and management” (Bondarouk & Ruel, 2009 P.507).

According to Ingrid Jenkins, Director, Human Resources, at Microsoft Australia, “Transformation underpinned by a digital mindset that is a unique interplay of technology, people, and process, and technology can also be used to vastly improve HR processes for employees and managers, resulting in a snowball effect of positivity and paving the way for even greater digital transformation within a business.”

Digital HRM means the addition of elements like use of Big Data, inclusion of Artificial Intelligence and mass usage of advanced analytics throughout the organization. The addition of these elements is used as a tool to enhance productivity and to add competitive advantage to the function.

The new composition of our future workforce will be essentially made up of Millennial. According to, Digitization of Human Resources: Challenges and Opportunities - Veronika Mazour - Millennial represent the majority of the workforce today, and will compose around 75% of the workforce by 2030.

In the view of the same, this generation are more technology driven and hence will have similar expectations with their job profile. The expectations or imagination about their workplace is quite different; where they would welcome the concept such as: mobility, remote access to work, flexi working hours etc. Hence with the influx of Digital HRM or Digitization, the concept of Digital community will be more prevalent in future; making it essential for any business organization to integrate digitization.

Integration Of HR Functions And Digitization

To discuss few functional transformations with reference to Digital HRM is listed as follows:

Recruitment and selection

According to Jon Bischke, CEO of Entelo, “Digital profiles can provide far more insight into a candidate than a traditional résumé can, and many recruiters have realized that. Twenty years ago, the résumé was a piece of paper; now, it’s a collection of all [candidate] data that can be found online, like participation in online communities, conferences, and meet-ups. Recruiters can assess whether a person will fit, and learn if he/she has the right skills for a job.”

When we view R&S as a continuous process right from the first activity of calling for application, screening of resume, short listing of resume, making up of interview set up, the actual interview process, etc can completely go online. To name the company which has converted this into reality is LinkedIn. A professional interaction platform which enables the entire Recruitment & Selection process to be digital.

Onboarding programmes

Virtual on boarding is when the employer is able to guide the employees from any remote location without having the limitation of the reach. Virtual on boarding provides the employer or boss to ease of functioning irrespective of his/her present location by engaging in more interactive multimedia tool.

Self-service Kiosk/ Tools

Self-service tools helps an employee to be more self dependent instead of waiting for the information or data to flow from “up to down” hierarchy. This ensures active participation of employees even when they are remotely or virtually connected to the organization. It is very obvious that and self service access system helps the employee to perform their task efficiently and accomplish their job responsibilities. Organizations with offices in multiple locations across geographical locations can easily understand the importance of self-service tools. These self-service access system also tools keeps the employees informed about changes in work plans, work schedules, work flow, project plans etc. since these are system driven and easily accessible.

Payroll

Although the term excites all the employees, for HR professionals it is a cumbersome job to do. To process payrolls, HR managers should take various aspects into consideration such as employee attendance, work hours, time off and project billing. All these details can be easily recorded by using HR software.

Apart from describing few functions mentioned above the difference between current HR service delivery models followed by many companies and the proposed digital HR modification is illustrated in figure 2, to understand how radical and profound the digital HR transformation is explicitly given by Deloitte

(Deloitte Insights- Digital HR - By Michael Stephan, Shinichiro Uzawa, Erica Volini, Brett Walsh, Roberta Yoshida)

Industry Example

Reliance Jio, the 4G telecommunications and digital services company owned by Reliance Industries is one of the largest start-ups in the world. Jio’s leadership crafted a strategy that aimed to achieve business’s growth, scale, and the current state of HR technology by designing a mobile-first, cloud-first, digital-powered approach to Jio’s HR strategy and launch. The business goals for Jio are to build a national 4G network across 18,000 cities and towns in India and correspondingly complying them to hire and manage a workforce of 50,000.

Their HR strategy was to create an employee value proposition to support candidates, employees, and business managers with an experience that would be easy to use, quick, and safe. Hence to give and digital access to all the stakeholders inter or external

Their HR program “digital-first” allowed recruiters, candidates, employees, business managers, and HR staff to complete HR tasks and reporting by leveraging real-time apps and secure, cloud-based services using mobile devices.

The core activities were automated and streamlined and the HR platform run by HR operations center tasked with clearing all inquiries on the day they are received while working with HR centers of excellence and HR IT to continuously improve the platform. This was an agile approach innovative at that time that has enabled the HR process, policy, HR IT, and business

teams to learn and build capabilities in the new digital HR environment. (Deloitte Insights- Digital HR - By Michael Stephan, Shinichiro Uzawa, Erica Volini, Brett Walsh, Roberta Yoshida)

Digitalization in Bank of Baroda (E Performance Management)

Bank of Baroda has started the Human Resource Network Services for employees. It covers the entire range of HRM function to be performed within the bank. The HR processing work is covered by the Oracle Core HR which is software that helps the employees to undergo with various learning courses. The Performance Management System was implemented for all officers from 2009 onwards. The PMS starts from performance planning and goal setting and takes it forward into review, discussions and feedback. This system gave every employee an opportunity to see their performance review activity objectively and to ensure that the entire process is transparent since it was driven by employees themselves as the owners of the system. “Baroda sujhav” and “ideaonline@bank” on company intranet are the idea channels where new employees can share their ideas. This was just like “Online Suggestion Box” where the employees can easily access and post their suggestion and ideas. This was further accompanied by structured rewards provisions for the best ideas. (Digitalisation- An Emerging Trend in Human Resource Practices)

Conclusion

The main purpose of this paper was to find out the meaning of Digital HR and how Human Resource functions are taking advantage or can take of it. In recent years, digitization has deeply transformed the way companies operate. But in all digital transformation projects, the human component is the key to success. From this point of view, digitalization represents a unique opportunity for the HR function to reinvent itself in a more strategic role.

Artificial intelligence, Big Data, Cloud solution, Virtual Interface, Real time interactions etc are some of the tools that companies are using in making their HR functions and employees, stronger, faster and smarter. Not only and integration at operational level but also strategic use of technology is enabled through “Digital HR”.

As HR is at the forefront of the fourth digital revolution it’s important to facilitate this advancement without impeding the human element. In India also Reliance Jio, Bank of Baroda and many more companies have successfully implemented the digital input in various aspects of Human Resources. It can be concluded that Human resource management is all about human touch and that touch will gain more power with the aid of technology in the dynamics of changing era.

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