

Virtual Triumph: Strategies for Effective Employee Management

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Abstract

In today's landscape, digitization is revolutionizing traditional business models, with human resources management (HRM) being significantly impacted. This is due to the widespread adoption of employee-related software, IT-enabled HR functions, social networks, and mobile solutions. Organizations are integrating digital approaches into their HR operations to effectively manage their workforce. Continuous development and innovation of HR practices are imperative for staying competitive in the business environment. Recent studies indicate a trend towards digitally-enabled, employee-centric HR practices. Upgrading HR capabilities is essential for delivering optimal results and navigating the competitive market. Consequently, technical advancements are reshaping the field of human resources, gradually replacing conventional HRM with technologically advanced practices. This paper aims to explore the utilization of digital (IT) devices in HR practices, specifically the transition from HRM to E-HRM. E-HRM entails an integrated, organization-wide electronic network of HR information, services, devices, applications, and exchanges .

Keywords: Digitalisation, HR Practices, Transformation

Introduction

In today's rapidly advancing technological landscape, the internet serves as a primary catalyst for organizational change. It offers a more efficient means of exchanging information and reaching larger audiences than ever before. Consequently, HR professionals must adapt to the escalating competition and rapid advancements in HR technology. Future HR practitioners will require new technical knowledge, skills, and abilities to navigate the fast-paced and often unpredictable global workplace. As organizations transition into an era of decentralization, HR professionals must evaluate the implications of this shift, which, if managed effectively, can lead to liberation. This new era demands a different organizational structure that can harness the contributions of independent individuals in

a socially sustainable manner. It is evident that a more effective approach to managing HR as a system is emerging, requiring new HR managers to adapt accordingly. In today's globalized business environment, where businesses operate on an international scale, the transfer of goods, services, technology, and capital across national boundaries has become commonplace. Globalization has shrunk the world through rapid communication networks, leading to increasingly integrated economies.

Moreover, in the current landscape, digital HRM has become more significant compared to traditional HRM, as an organization's survival hinges on the quality of its human resources and their utilization. HR departments must embrace digital transformation and prioritize best practices

in their HR strategies. However, numerous challenges confront human resource management globally. To thrive in the modern world, businesses must strive to expand into the global market. For HR, this presents the most challenging opportunity yet, as it grapples with the complexities of change. HR now plays a leading role alongside other business functions in fostering momentum and internal capabilities within organizations. According to Indermun (2014), the role of the human resource manager is evolving in response to changes in the competitive market environment, recognizing that human resource management (HRM) must assume a more strategic role in an organization's success. The quality of human resources within an organization largely depends on the effectiveness of the recruitment process. Burma (2014) emphasizes the importance of a skilled workforce, stating that "in an era of competition, an organization's development is directly proportional to the development of its talent." Therefore, retaining top talent is as crucial as recruitment and selection, as it enables employees to perform at their best. Thus, a consistent reward system is closely linked to objective, defined, and consistent performance evaluation systems. Taylor (2009) highlights four key factors to inspire employee loyalty to an organization: fair compensation aligned with market standards, recognition of each employee's contributions, skills development and enhancement, and nurturing talented individuals.

In the digital economy, it is highly beneficial for HR professionals to understand the relationship between HR and IT and leverage a theoretical approach to enhance HR performance through

integration. Technology serves as a crucial strategy to strike a balance between innovation and efficiency in any organization. Given that HR serves as a focal point within organizations and is primarily responsible for designing organizational structures, collaboration between HR and IT is paramount. Digital technology enables organizations to enhance their productivity by leveraging their most valuable assets, their human resources. Digital HRM offers a path through which strategies, policies, and practices can be effectively implemented, serving as an umbrella term encompassing all possible integration mechanisms and content between HRM and IT aimed at creating value within and across organizations for both employees and management. The majority of tasks associated with HR are now outsourced, necessitating businesses to seek new expertise from their HR teams.

Digitalization in Recruitment

Recruitment, the process of attracting potential candidates for organizational vacancies, is the oldest business among service industries globally. Technology has positively impacted recruitment, providing numerous digital tools to enhance the process. E-recruitment, which encompasses operational, relational, and transformational approaches, leverages global talent management strategies to identify and retain individuals who fit predetermined profiles. Employer branding and reputation play crucial roles in this process.

Digitalization in Training and Development

IT tools have revolutionized formal learning in the workplace. In the era of

digitalization, e-learning presents a significant opportunity for employees, making learning more engaging and accessible. E-learning utilizes internet technologies to deliver various learning modalities that enhance knowledge and performance, ranging from basic training activities to advanced technology-based methods. Both public and private sector organizations are adopting e-learning concepts, relying on electronic or online communication to facilitate learning.

Digitalization in Performance Management

Performance management evaluates employee efficiency and effectiveness in achieving organizational objectives. E-performance management entails the planning and implementation of information technology in managing performance management systems, forming a part of e-HRM. IT-enabled performance management serves as an effective tool to leverage the full benefits of the system at a comparatively lower cost to organizations. It allows organizations to maintain records of core competencies and employee performance processes. With the emergence of technology, performance evaluation software has become commonplace in organizations, enabling HR to conduct performance evaluations efficiently, saving time and costs. Performance management software offers an innovative approach to employee performance evaluations, contributing to enhanced efficiency, relationships, behavior, development, and core competencies.

Objectives of the Study

1. Understand the need for digital transformation in HRM functions.

2. Explore the current role of digitization in organizational HRM functions.

Literature Review

HR professionals are already leveraging technology to some extent, but questions remain regarding its acceptance, amplification, and measurement. There is a fundamental need to understand how HR can integrate IT into their strategy to attract and retain individuals who will drive competitive advantage and support business strategy. Recent cases among local and international companies have highlighted the importance of integrating technology into HR practices to increase profitability. Traditional HRM practices, such as recruitment, compensation, performance appraisal, retraining, redeployment, and downsizing, are strategically aligned with innovations defined as innovative HRM practices aimed at acquiring skills, practices, and organizations during the process of organizational redesigning. The significant issue during the implementation of HR practices is that organizations do not invest much in IT due to the prohibitive costs involved. However, it is undeniable that technology is one of the key markers that impact HR rehearses execution (McC Campbell, Clare and Gitters, 1999).

Oxford Economics (2012) highlights how innovation is fundamentally reshaping HR's performance. Today, HR leaders have access to tools that quantify aspects that were previously challenging to measure or predict. Studies indicate that the transformation of HR into a strategic business function is already in progress and will continue in the coming years. This transformation involves expanding and deepening collaboration between HR and

other specialized units to enhance talent management performance and analysis, with a greater emphasis on driving business outcomes through the strategic utilization of technology.

Chase (2014) argues that the transformation of talent management necessitates digitization, but it also entails leveraging social and digital technologies to enhance communication, collaboration, and engagement. This goes beyond interactions solely between employees and the organization; it extends to interactions among employees themselves. Consequently, HR and talent processes, along with the technologies supporting them, will no longer exist in isolation. Instead, various aspects of HR and talent management will become fully integrated into the future of work.

Jane Indira JA underscores the significance of digitalization as a tool that accelerates communication processes, reduces costs, and enhances organizational productivity and efficiency (Indira, Jane, 2020). According to Jeroen Meijerink, Mark Boons, Anne Keegan, and Janet Marler, the future of work will be indirectly influenced by digitalization developments, thereby impacting HRM practices and reshaping the nature of work itself (Meijerink, Jeroen, Boons, Mark, Keegan, Anne, Marler, Janet, 2018). Camila Bengtsson and Moa Bloom suggest that while changing customer preferences play a role, digitization fundamentally alters human behavior on a broader scale, affecting everyone in various ways (Bengtsson, Camila, Bloom, Moa, 2017). Additionally, Deotima Saha and Deepika Pandita highlight that employees in today's technological era represent a new generation, termed as Native Digital, unlike the manual workers of the Industrial

Revolution or the knowledge-based employees of the Information Age (Saha, Deotima, Pandita, Deepika, 2017).

Findings and Evolution

The future is often shrouded in uncertainty, unpredictable, yet we must remain prepared for all eventualities. Those who believe they can evade the impact of the "new age" are mistaken. Digitalization should be recognized as a technological evolution that has already occurred, symbolizing the dawn of a new era for humanity. However, many societies view this transition with apprehension due to their unpreparedness for change. It is crucial to acknowledge that adaptation is key in confronting change, and certain transformations are inevitable.

Human nature has historically been divided into two camps regarding technology: the "optimists" who embrace change and the "pessimists" who resist it. However, our perspective shapes our perception of these advancements. Technology permeates every aspect of society today—socially, economically, and otherwise—signifying a time where technology is intertwined with daily life.

Nevertheless, the human mind remains irreplaceable; the creator always holds superiority. The global economy has embraced the ethos of change, affecting all aspects of Human Resources, including recruitment, selection, performance evaluation, training and development, and other processes. Digitalization has significantly enhanced human resource management by streamlining processes and boosting efficiency.

Technology evolves rapidly, and what may confer an advantage today could become a liability tomorrow. Technology has transcended the constraints of time and

space, fostering unparalleled connectivity worldwide. Digitalization has revolutionized human resource management, streamlining processes to ensure the right individuals are placed in appropriate roles efficiently.

However, some organizations remain reluctant to embrace digitalization, thereby facing disadvantages in the market. Businesses must invest more in this aspect. Most authors emphasize the importance of digitalization and technology, highlighting an internal focus. It is imperative never to view people as mere tools; the foundation of any organization lies in its people, while tools exist to serve them, not vice versa.

In the business realm, all processes are interconnected, forming a chain where the market serves as the battleground, consumers as the focal point, companies as instruments, and employees as the driving force—a dynamic akin to a racetrack.

Conclusion

Despite extensive research on the impact of digitalization and other technological advancements on human resource management, the primary beneficiaries of these technological developments are large organizations, particularly multinational corporations that dominate the global market. Many enterprises, constrained by financial limitations, are unable to invest in these changes and risk falling behind in the market. Transitioning countries also

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encounter significant challenges in adopting new technologies, necessitating support from the government in facilitating technological integration.

Collaboration among organizations is essential in the digitization of processes. In today's market, time is of the essence, and keeping up with constant changes can be overwhelming for many companies and even fatal in some cases. However, various business models are emerging, and markets are expanding, prompting many companies to merge in order to remain competitive. Given the rapid pace of change, it is expected that the global economy will undergo a complete transformation, making survival increasingly challenging.

One of the gravest mistakes an enterprise can make is to resist change. Numerous examples exist of companies that have faltered due to their reluctance to embrace technological advancements, such as NOKIA. Digitalization, as a process, is entering a new phase and is anticipated to soon become a thing of the past. In today's knowledge economy, where cyber systems prevail, technology continues to evolve rapidly. However, in a world characterized by constant change, both technology and people evolve, necessitating adaptability to changing requirements and consumer desires. Despite these challenges, there is optimism for the future, as innovations are always welcomed and contribute to a more visionary outlook.

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