

## **Human Resource Management (Hrm) In Digital Economy**

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### **Abstract**

*This research paper discusses on the impact of digitization in Human Resource Management (HRM) & the extent of E-HRM practiced in organization. Due to the increased dominance of digital technologies, the corporate world has witnessed various changes in the country such as reaching economical, technical, cultural and societal changes which has led to current period known as 'Digital Age'.*

*A digital technology plays a crucial role in live of employees and HRM as well. These changes have impact on workforce, HRM in general and particularly in use of technology in providing HRM activities. It tends to clarify the future of the HR profession in the digital age by transforming and understanding results of recent studies in a creative way. This paper attempts to provide a better understanding of the HRM in digital age.*

**KEYWORDS:***Digitization, E-HRM, Workforce & HRM*

### **1. Introduction**

In this era of digitization, organisations are also becoming technology driven making all the functions including HR take the best use of technology to accomplish the goals of the organisation. HRM being a important part of the organisation is adopting technology in its job and utilising it to the most to provide best services not only to achieve organisational objectives but also to keep its employees & clients satisfied and motivated. The role of human resource management in today's competitive era and the abilities of technology has led to a widespread acknowledgment of electronic human resource management (e-HRM). It is obvious that HRM should react to such changes and align its strategies and activities to this new labour market and search for adequate ways to recruit, develop, compensate, etc. such "digital employees" and moreover to integrate them with previous generations of employees. In digital world, it is important how the older and younger employees can adapt to new challenges of labour market. Organizations have to constantly monitor the internal and external environment changes in order to compete and maintain the business interests due to competitive conditions of technological age followed by globalization and Digital Revolution.

The main question is that ‘What will be the effects of digitization on the HR development? The use of information technology (IT) in HRM (e-HRM) is establishing its pace to improve HR operational processes and allow distributed access to employees. Technological advances may provide solutions to the very problems that have arisen with increased technology usage. E-HRM is not just beginning to be a trend in the enterprise but also becoming essential to be able to achieve goals, keeping the cost minimum, increasing productivity, keeping track of employees, reaching out to broader prospects of applicants in such a way that they are mostly connected to all the time i.e. digital platform, maintaining vast data about employees and free flow of communication in the organisation. Thus HRM in digital era has scored technology to be able to focus more on strategic part of the HRM leaving most of the administrative work to technology.

## **2. Literature review**

1. As digital and social technologies advance, the organizational processes, the nature and the meaning of work continue to evolve, thereby rendering work increasingly granular, modular, and decontextualized (Ashford et al., 2007; Hollister, 2011; Connelly & Gallagher, 2004; Rainie& Wellman, 2012; Gregg, 2011; Irani, 2013; Stone et al., 2015).
2. Within this technological shift, wider HR topics such as technology usage and generational issues, the role of information technology in hiring decisions, new working arrangements that have emerged as a result of these advancements, and how technology influences the way that work is structured and carried out, become increasingly relevant (Colbert, Yee & George, 2016; Stone & Deadrick, 2015).
3. The digital workforce has developed many competencies in the course of their interactions with technology that may be leveraged at work. Among the most obvious of these competencies is their proficiency and comfort in achieving desired outcomes using technology, often referred to as “digital fluency” (Briggs & Makice, 2012).
4. Theoretical research is therefore needed about the effects of the changing workforce and its contexts. It is important to understand how digital and mobile technologies are shaping organizational phenomena (Boswell & Olson-Buchanan, 2007; Butts, Becker & Boswell, 2015; Ramarajan& Reid, 2013; van Knippenberg, Dahlander, Haas, & George, 2015).
5. We must also advance our understanding of employee competences, experiences, collaborative and relational practices, and the need for sensory and emotional engagement in the digitized workplace (Briggs & Makice, 2012; Gilson et al., 2015; Gruber, Leon, George, & Thompson, 2015).
6. It is important to also recognize the downsides of burgeoning technology use for concentrated work, close relationships, and effective collaboration in order to examine the shaping conditions and effects of the growing use of technology by a digital workforce, and also to provide guidance about how best to utilize technology in the service of organizational goals (Colbert et al., 2016).

### 3. Research methodology

This section emphasizes on research methods applied in our research paper. Walliman (2005) argues that the term research does not actually mean 'Research' but it basically means 'fact'. For this, systematic way should be followed which helps to understand that research is not purely based on beliefs & views but on analytical & reasonable relationship.

#### I. Research Objective:

- To study the impact of digitization in HRM
- To know the affect of digital era in various HR & other functions
- To integrate the new HR practices with new & previous generations of employees
- To understand the extent of e-HRM practiced in organisations

#### II. Research Design:

As no research project is purely and solely based on this design. Basically it is based on exploratory research design. This research paper does not follow any planned questionnaire or sampling. It is based on literature survey and analysis of certain cases and graphical presentation of impact of digitization on HRM through various sources.

#### III. Type Of Data Collection:

This paper is based on secondary data and the analysis is also done on theoretical basis.

### Data Analysis & Interpretation

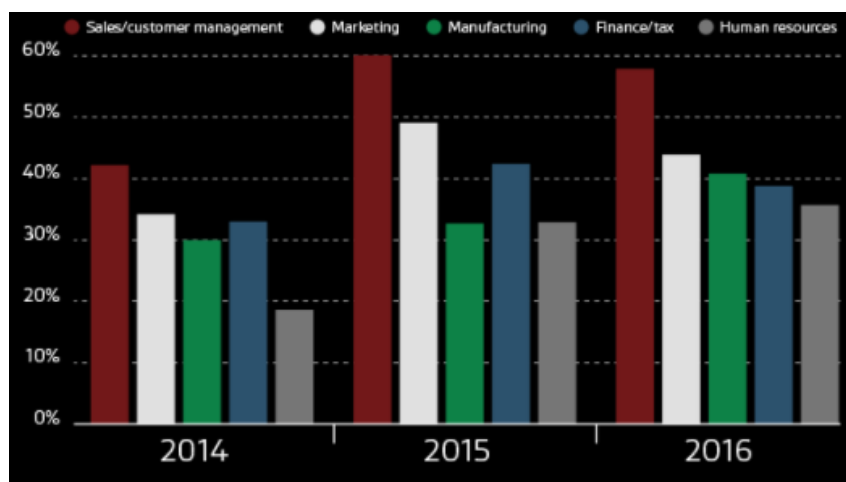


Figure 1

#### IV. Interpretation:

As per the statistics, there is rise in growth rate of various HR and management areas. It is clearly visible from the data of 2014-16 that HR has increased from approximately 19-36% .

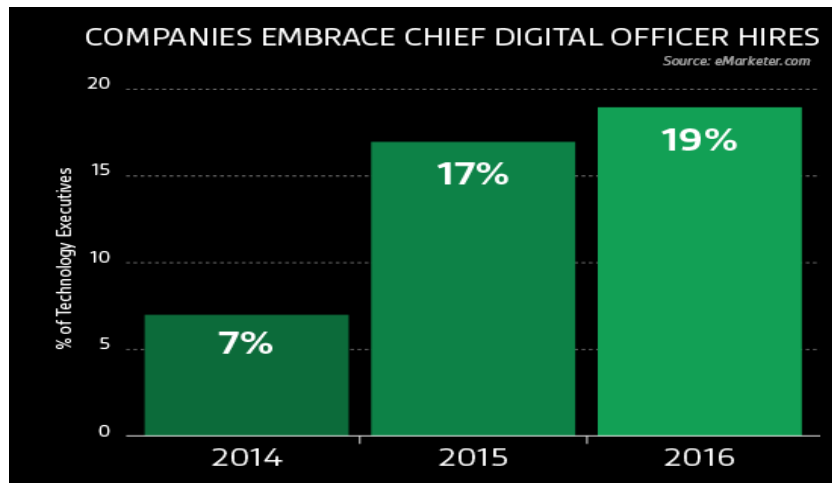


Figure 2

#### V. Interpretation:

With the use of technology, company's recruitment process has also become easier and has risen from 7 to 19%.

### 4. Findings

Considering Figure1, HR used to be last in technological line but their role in digital transformation framework puts them at the forefront of the technology evaluation process. By the end of 2016, its estimated that analytics uptake by HR departments will have increased by over 90% since 2014, with further growth that can only be anticipated. HR is no longer at the tail end of the technology queue.

As per the statistics in Figure2, the survey which we have studied shows that growth in chief digital hiring has grown alot from 2014-2016. This executive level hiring growth also tells a similar story of the requirements needed to expand on digital management and execution talent. Addressing skill gaps & talent shortages should be top of mind for HR departments as the digital business ecosystem continues to expand into new and existing segments.

### 5. Conclusion

From the above analysis & findings, it can be concluded that the use of digitization in HR function eliminates the geographical boundaries. Digitization effect is not only confined to HR but also various other functions such as sales/ customer management, marketing, manufacturing, finance/tax etc which directly or indirectly affect the HR functions.

According to analysis, it is observed that digitization has a strong impact on HRM as there is continuous increase in it and further growth is expected in upcoming years.

## 6. References

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