DIGITALISATION OF HR PROCESSES:
AN ANALYSIS OF ISSUES AND LOOSE-ENDS

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Abstract:

Warren Buffett, has said 'digital transformation is a fundamental reality for businesses today'. There is a reluctance to modernise, but there's no alternative. HR's objective is to enable and optimise relationships between employers and employees and ensure both groups positively contribute to the functioning of the businesses or organisations they represent. Technology can play a crucial role if utilised judiciously in every aspect of an HR function, from Recruitment to Retirement (R2R). However, with every boon comes a risk, if not assessed and implemented effectively; and organisations are stumbling when trying to put in place a holistic IT strategy for a transformed organisation.

This paper is an attempt to recognise the necessity to digitise but also be aware of limitations and challenges often faced by management. In today's context, Digital HR has fundamentally become the ground to make organisations future ready, however, true leadership lies in retaining core human values, where HR metrics lead to ethical HR policies and practices, conjoined with true HR aesthetics.

1. Introduction:

"Digital transformation is a fundamental reality for businesses today", said Warren Buffett, Chairman and CEO of Berkshire Hathaway. There was a reluctance to modernise; that's natural, as changing is hard, but there was no alternative. And organisations that had postponed their digital transformation of enabling functions, has put them at further risk of obsolescence and not matching up with the pace at which Business and Operations were growing.In the Information Age, the advent of computers and the Internet has increased that impact significantly. Many businesses cannot even function without the use of computer technology. This impact is seen in nearly all areas of business, including Human Resources, where technology continues to have a significant impact on HR practices.

Technology has transformed the way business operates however, organisations are stumbling when trying to put in a holistic IT strategy.

Digital transformation is a process and an outcome. It is a revolutionary change but also an evolutionary phenomenon. In addition to digitisation, the transition to business with technology at its center also demands a shift in the culture and mind-set of an organisation.

2. Role of HR:

Human Resources is a core function of every organisation, that involves optimising relationships between employers and employees while simultaneously ensuring that both groups positively contribute to the functioning of the businesses or organisations they represent. Technology can play a crucial role if utilised judiciously in every aspect of an HR function, from R2R, Recruiting to Retirement. Indeed, HR technology providers are increasingly designing applications for employees first, to enable workers to learn and develop, collaborate, share feedback, steer their careers, and even manage other people

more effectively. Since HR is a key component of every business unit, HR must adopt advanced technology changes carefully and smoothly.

3. Technology and HR:

An HRIS can perform a number of functions from the simple storage and communication of information, to more complex transactions. The term HRIS often is used interchangeably with Human Resources Management System (HRMS) and Human Resources Information Technology (HRIT). As technology advances, the range of functions that an HRIS can undertake increases.

The digital enterprises today are built upon years of efforts by HR leaders to adapt and evolve. In the late 1960s and '70s, Human Resources departments were all about ensuring that transactions & records were maintained, thus resulting in firms globally to adapt to the first phase of digital evolution of digital record keeping and maintenance. With the maturity in HR Practices and the reforms in organisation structure and creations of Centres of Excellence (CoEs), the HR function moved into talent management practices.

In large organisations, it became imperative to adopt technology solutions to support the functioning of these COEs by the late 80's. The mid 1990's saw a new model in HR called HR Business Partners (HR Generalist) and the 2000's saw an evolution of HR as a business function than a people function. HR today has to play a frightfully delicate role in ensuring people and profit management within an organisation.

4. Integrated HR Technology Solution: Scalability and Efficiency

Human Resources is basically the professional field that involves optimising relationships between employers and employees while simultaneously ensuring that both groups positively contribute to the functioning of the businesses or organisations they represent. HR is responsible for managing every people aspect in an organisation. It includes Recruitment, On-boarding, Training, Performance Management, Leadership Strategy, Learning &Development, Employee Benefits Administration, Payroll and Compensation, Retention and Termination/ Retirement. Managing these activities within an organisation requires a great deal of data & information management, documentation management, reporting for various purposes and conducting surveys. Hence, an organisation should take advantage of HR technology solutions combined with different databases and well-defined processes.

HR automation is defined as the process of replacing multiple repetitive or administrative HR tasks that are prone to errors and need to be completed in a specific time span with automated or online solutions. These are critical tasks, such as benefits enrolment, payroll management, on boarding formalities, and leave and attendance management. Simply put, any document-based process can be easily automated.

When performed manually, all these tasks may be at risk of greater error. By automating them, the chances of error are reduced significantly, as is the time spent in performing the tasks. Automated HR functions can also be scaled easily. This kind of scalability and increased efficiency in manual tasks frees up HR personnel to look into more strategic tasks.

The advantages of having a sophisticated HRIS or HRMS are many. An HRIS or HRMS monitored by qualified specialists who know technology and HR functional and tactical processes can manage

compliance with federal and state laws, streamline processes for recruitment and selection, and produce analyses, data and reports for internal and external use. It can be used for employment actions such as applicant tracking, performance management, attendance, compensation and benefits management, work force analyses, and scheduling. We hear about Enterprise Resource Planning (ERP) systems being integrated into HRIS. An ERP is for all business matters, including profitability analyses, inventory control and investor relations data. These sophisticated systems generally are for large employers with complex technology needs. The employee and manager self-service features are excellent ways to free up the time of your human resources staff members for project work and other duties. Employees and managers can locate answers and information quickly without the need to consult an HR representative every time.

4.1 Reporting

Perhaps the biggest benefit that the use of an HRIS system adds to a business is its ability to create reports, from simple to complex for making strategic analytics and presentations. An HRIS system typically holds all information surrounding the firm's human resources initiatives, including details regarding the group's hiring practices, such as a comprehensive listing of all job applicants, an up-to-date index of job openings and electronic copies of each employee's on-boarding paperwork. It also holds data regarding the salary and incentive compensation of each staff member. Results of annual performance appraisals and any disciplinary actions that have been taken toward members of the team are included, as well. Because these figures are held in one database, a business owner possesses the capability of running a variety of detailed reports that encompass some or all of this information.

4.2 Recruitment

One way in which human resources has been significantly impacted by technology is in the area of recruiting. Before the Internet, HR recruiters had to rely on print publications, such as newspapers, to post jobs and get prospects for open positions. Other methods such as networking also were used, but HR recruiters did not have the ability to post a job in one or more locations and have millions of people see it all at once. Technology has made recruiting more efficient and, in the hands of the right recruiter, more effective as well. When seeking candidates, the manager is able to perform detailed searches of collected resumes, using a variety of queries, including location, level of education, years of professional experience and technical skill set. In addition, the software also allows current employees to electronically apply for new positions. In support of a firm's staffing efforts, many HRIS systems provide a sophisticated interface allowing its use by both internal employees, as well as external job applicants. An HRIS system allows candidates for open positions to submit their resumes and contact information to a potential employer from a remote computer. The system then collects the information and archives it so it is easily accessible by the hiring manager.

4.3 Compensation & Benefits Administration

Predominantly observed in international markets, an HRIS system allows a business to streamline the administration of employee benefits. In many cases, employees and new hires may electronically enrol in benefit plans. They may also have the capability of logging onto the system to monitor and update

their current coverage throughout the year, changing status, dependent information and contact data as required. A self-service system allows for benefits to be efficiently administered with as little manpower as possible, saving an organisations time and money.

4.4 Training

Information technology makes it possible for human resources professionals to train new staff members in a more efficient manner as well. The ability to access company information and training programs from remote locations eliminates the need for trainers to work directly with new hires on all training. Some interaction will always be necessary on some level, of course, but training in virtual classrooms makes it possible for the HR professionals to train a large number of employees quickly and to assess their progress through computerised testing programs.

Many mandatory training and certifications are made available on e-learning solutions along-side various learning programs for continuous improvement, thereby contributing to personal development and skill enhancement.

Effective learning comes from integrating technology in bringing people together and an integrated human resource team coupled with IT solutions will be a transformed organisation in itself.

4.5 Data Storage and Retrieval

HR professionals generally process a considerable amount of paperwork and also have to keep much of that paperwork on file for a considerable period of time. The use of electronic imaging has made it possible for companies to store and retrieve files in an electronic format. Technology also makes it possible to simply print the forms that are needed for employees. Printing on demand eliminates the need to dig through an endless number of files in the file cabinet to find what is needed.

4.6 Performance Management

Enhanced performance management is another by-product of technological improvement. HR professionals can use computer technology to assess employee performance, examine employee performance using metrics to ensure that employees are meeting performance standards and also to get employee feedback to be used for the betterment of the organisation. Employees that don't measure up can be subjected to additional training or let go in favour a replacement who can come in and do the job. These reports can scale up to measure organisation metrics where CEOs publish dashboards to various stakeholders and business partners in a global environment where companies and processes are set across locations.

4.7 Self-Service tools

A very popular use of HRIS is self-service tools. Many employers are utilising their HRIS to supplement the HR department staff by enabling employees for find answers to common questions they would have asked a HR representative. An ESS component can be used in small to large companies with 10,000 and more employees.

Employee Self-Service: HR tools that enable employees to be responsible for the maintenance and updating of their personal data, performance related self-assessment, e-learning, mandatory Audit and

Compliance related certifications and acknowledgements, payslips and more. Also, apply online for manager approval of certain requests (e.g. holidays).

Manager Self-Service: HR services like tracking of production and performance reports, individual and team, performance appraisals, leave tracking and more can happen.

Business Partner: An HR professional who works with a specific client usually at the senior management level, who contributes to the design of the business strategy from a people perspective, and who helps advise or finds advice or key strategic issues. HR data and analytics plays a key role for HR BP and Senior Management for defining the HR strategy.

5. Choosing the right HR Technology: A Dilemma for any IT Head

The use of technology within HRM has grown considerably over the last two to three decades with the majority of organisations. For instance, an early study in Europe, Watson-Wyatt (2002) found that 70% of the organisations surveyed used the Internet or Intranet to deliver HR services to employees with most respondents planning to enhance substantially their e-HR capabilities over the next few years after the survey. Research from Cranfield School of Management in 2003 found a high proportion of companies using HRIS at 82%. And in the UK alone, Chartered Institute of Personnel and Development in 2005 showed that 77% of organisations used an HRIS.

As HR is in itself a catalyst that facilitates every change in an Organisation, HR must adapt to advanced technology changes seamlessly; thereby HR Transformation means Organisation Transformation. Effective learning and delivery comes from integrating technology in bringing people together and an integrated human resource team coupled with IT solutions will be a transformed organisation in itself. On one level, the use of technology has been shown to lead to faster, more accurate and more efficient processes, and reduced HR costs. On another level, the use of HR Systems to reduce the administrative and transactional burden on the HR function can lead to a change in the structure of HR and allow the function to play a more strategic role in the organisation.

The current wave of technology-led HR transformation has two primary implications for CIOs. One, it offers a range of potentially promising new tools to help IT leaders better manage and engage the talent inside their organisations. Two, it creates opportunities for increased HR-IT partnership as HR leaders seek vendor selection and technology integration advice from CIOs.But one should not get lured by the suite of HR tools and techniques that are available in the market, but on-board only what is necessary and suitable to one's organisation.

The transformational changes taking place across the HR technology landscape have the potential to provide CIOs with better tools for managing the people side of their IT organisations. If used prudently enough, HR technology should transform the way we work with our own people, leading to Organisation Transformation.

Chris Bedi, CIO of ServiceNow, shares that "the reality is, many digital transformations fail because companies aren't integrating their business and technology strategies from the start. It's imperative that CIOs know how to quantify their progress with technologies and understand how to effectively communicate this value to key stakeholders."

The HR technology landscape is changing more rapidly than ever. As CIOs and HR leaders look to upgrade and replace existing HR systems, they should consider vendors and tools that offer consumer-like experiences, mobile capabilities, and predictive analytics—and allow employees to test them for

ease of use, not just for features and workflow. The number of employees using HR tools and the duration and frequency of their usage will become important measures of engagement and effectiveness.

An HRIS also can be problematic for small businesses in which some employees must wear many hats. If your company isn't big enough to have a dedicated HR technology specialist, one can consider business outsourcing. Some of the disadvantages of an HRIS involve human error during information input, costly technology to update your system and malfunctions or insufficient applications to support your HR needs. HRIS Integration with other Organisation Systems is also found to be a challenging area. Hence, it is very important to understand the unique requirements of the HR activities, assess the complexities within the HR activities, examine the technical solutions carefully and be aware of technology compatibility, compare the functional requirements with technology offerings, have a comparative Cost Benefit Analysis and then chose a sustainable and scalable solution.

6. Digital Transformation and True Leadership

Digital transformation is a team initiative and like George Westerman of MIT sums it up well, "digital transformation requires changes to processes and thinking—changes that span your internal organisational silos."

With automation and digitalisation, HR shouldn't remain as an administrative function, and lose its personal responsibility towards each and every staff. It takes a highly well thought off leadership and change management style to retain the original flavour of HR. The reasons behind an organisation's introduction of an HR Technology may vary considerably from the need to facilitate efficient processes or cut costs, to improve communication and customer service, or the desire to create a shift in the role of the HR function from one that is mainly administrative to one that is more strategic.

Until yesterday, the HR organisation meets one of its biggest challenges to attract and retain talent. This shift is a result of the decreased workforce age and inclusion of Generation Z in the workforce. HR organisation faces a tough challenge to cater to the needs and aspiration of a wide range of generation with different work ethics. However, something common in the later generations is the need of digital workspace with the flexibility to work on their own terms and the HR teams are expected to deliver this New Age promise of digital workspaces.

In today's context, when offices are scarcely occupied due to Covid 19, and work from home and virtual teams are becoming the new normal, HR technology innovation brings employee engagement to the fore.Imagine a human resources application that runs on employees' smartphones or laptops, recommends nearby people with whom they can network, helps to boost their productivity by evaluating their time management, offers suggestions for improving work-life balance, and provides targeted, on-the-job training. It may even share exercise and healthy eating tips when and where employees need them. This scenario illustrates the consumer-focused direction of HR technology, one that centres on employee productivity and engagement

Conclusion: Much like every other part of the organisation, the digital transformation of HR is essential in an age where technological disruption is the norm. According to a Deloitte survey, digital transformation budgets were going to increase by 25 % this year, but Vision 2020 is replaced with Covid-19 and it has become a question of survival. In current context, Digital HR has fundamentally become the ground to make organisations future ready, however, true leadership lies in retaining core human values, where HR metrics lead to ethical HR policies and practices, conjoined with true HR

aesthetics. HR should be a strong backbone for organisations to sail through this difficult times. Lay-offs in the name of optimising resources and bringing in cost-efficiencies is a harsh reality that many employees are having to face. But true leadership is best tested while managing crisis and there is always a choice that a leader can make, which will retain the core value system. What is your choice going to be? Time for each one of us to introspect!

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