

## Digitalization - Challenges for Human Resource Management

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### Introduction:

The digital revolution has had a profound impact on modern businesses on a wide range of fronts. All of an organization's internal and external procedures are immediately affected by digitalization. Because of its critical importance to economies and societies, digitalization has been underway for quite some time, nevertheless, the introduction of cutting-edge technologies like big data analytics, blockchain technology, artificial intelligence, data mining, the Internet of Things, etc. has further accelerated it.

The effects and consequences of digitalization on consumer preferences, purchasing patterns, marketing strategies, and business performance have all been studied in the past; however, internal organisational processes and behavior—particularly as it relates to human resources management—have received less attention.

Human resource management practises have rapidly evolved in response to the digitization of organisational processes and the resulting need for new HR capabilities, new models of employment, and more flexible HR systems. In this regard, organisations are tasked with developing processes and establishing practises for a continual evaluation of staff skills and introducing new forms of work organisation to allow and accommodate fast technological change and growth.

### The Age of Digital Disruption:

The advent of digital technology has proven to be an essential part of the dramatic shifts now taking place in how contemporary economies are run. Digital technologies like Big Data, Machine Learning, Artificial Intelligence, Internet of Things, Internet of Services, Mechatronics, Advanced Robotics, Cloud Computing, Cyber Security, Digital Twin, and Machine to Machine communication are emerging and developing quickly. These technologies enable organisations to create new business models and employee competencies, which in turn promote effective product optimisation and enhance overall organisation performance. There

is no agreed-upon, unified meaning of the term "digital transformation," while it is often used to describe the process of digitalizing systems and practises inside an organisation. The term refers to the merging of digital and physical systems via the use of cutting-edge technology.

Maintaining adaptability in the face of anticipated shifts in consumer demand and protecting established market share;

- Retaining a market advantage via the use of streamlined procedures that minimise waste of time, money, and other resources
- Improving the overall quality of our offerings
- Establishing a flexible production plan

### **HR problems brought on by the digital revolution:**

The ability of businesses to adopt more flexible work schedules will be highly valued by human resource management due to the impact that digital transformation will have on organisational procedures and the need for revitalising and advancing organisational culture.

a) The cultural shift brought about by the digital transformation poses a unique challenge for modern HRM practises. It calls for the alignment of HRM strategy with business objectives as well as the development of policies and practises that help employees adjust to constantly changing work environments and client demands.

b) HRM may adopt a results-based performance management approach as a result of the digital transformation, whereby employees' contributions are assessed only based on their output rather than the number of hours they put in. To assess employee work performance and completed tasks, businesses might use performance monitoring tools made possible by digital transformation.

c) Learning and development are essential components of modern HRM practise because of the strategic function it plays. It specifically alludes to giving workers an edge in the market by boosting their general and niche-specific skill sets and making them more adaptable to new circumstances.

d) Workforce analysis is a crucial component of any HR strategy. HRM departments are now able to evaluate employee satisfaction and participation levels thanks to digital technologies. Organisations may optimise income and save expenses by using analytics to better analyse workforce needs and monitor staff performance and productivity. It aids in developing an

efficient and cost-saving operational model by redefining recruiting procedures and establishing a plan for talent acquisition.

e) The proliferation of telecommuting has led to the development of novel approaches to personnel management, such as the use of a digital setting for talent acquisition, evaluation, and planning.

f) These tools may be utilised to boost HR operations overall. By automating the process of reviewing resumes, businesses may save both time and money while also increasing their chances of finding and hiring the most qualified candidates.

g) Redefining corporate processes, integrating them with new digital technologies, and coordinating activities and personnel will improve the company's overall performance. In the context of digital transformation, HRM also has the ability to affect organisational culture changes, improve the connection between workers and the company, and create an environment that is good for employee engagement and well-being.

h) The essential problems that HRM will have to solve because of the widespread use of digital technology,

- Cyber, data, the cloud, social networking, mobile devices, etc., and their effects.
- Employees from across many generations
- Extremely intertwined professional and personal lives because to workers' constant connectivity.
- The rise of workers who are proficient in digital media, commonly referred to as "digital citizens,"
- The emergence of business models that must address the issues posed by digital disruption.
- The worker becomes a client of the business's merchandise.

The HRM function's digital transformation cannot be successful unless employees, managers, and other stakeholders are willing to embrace the changes that come with using new technology. For this reason, HRM practises must align with the goals and strategy of the broader company's digital transformation.

## **Conclusion:**

In order to boost productivity and efficiency as a direct result of the success of mobility and remote working as a result of the introduction of the digital transformation process, organisations will invest in hybrid work models based on the intensive application of digital tools that support remote working. In this context, human resource management will be crucial due to the need to modify job responsibilities and organisational structures in order to satisfy new requirements and increase operational efficiency. A more flexible organisational structure will be made possible by the arrival of digital transformation, which will facilitate staff relocation.

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