Digital Transformation: A Changing Role of HR Manager in Digital Era

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Abstract

Digital transformation is the transformation of business processes, operations and structures in order to exploit the benefits of new technology. Digitalization in human resource management helps enterprises to modernize HR practices, functions and provides them with a competitive advantage over the other. At the same time, it requires a change in working style and necessitate a change in the demand for HR competencies. This study is carried out to determine the effects of digitalization on Human Resources Management Practices. As a consequence of rapid technological development and the speed of change in technological advancement organizations are faced with a need for a massive change in HR practices and an extended role of HR management processes. The objectives of this theoretical research are to highlight HRM in the digital age, stress the responsibilities that HR managers play in contemporary firms, and, using secondary data, talk about how technological advancements have affected HR practices in the digital age. We use a conceptual approach to accomplish our goals. The influence of digital technology on specific HR domains, such as streamlining HR procedures, is covered in our findings. (recruitment, performance management, and administration) and emphasize the new digital role of human resource manager in era 4.0.

Keywords: digital era, digital transformation, digitalization, HRM Practices, HR management

Introduction

Management model is continuously evolving due to technological development in modern digital era, which in turn determine absolute change in the management of human resources. Implementation of new technologies is resulting in a continuous change in managerial function of in human resources manager. Due to continuous and rapid change in digital technology human resource management practices are going through a radical transformation. The rapid digitization of the workplace, the creation of new job types, and the shifting demands on employees' digital skill sets encourages today's businesses to reconsider how they manage their workforces. In this case, HR functions play an essential role in leading changes and adding strategic value to the company in the digital era (Bokelberg et al., 2017) which call for a industrial revolution.

The current period is known as the "digital age," and digital transformation has become a universal consensus among industry. Artificial intelligence, cloud computing, Big Data, robotic, process automation, social media, real-time communication, and the growing use of virtual reality leads to rapid developing digital technologies that are giving the HR department new capabilities and bringing a new functionality

to the HR department. Technological advancement brings a revolution in business world and influences the way HR functions are fulfilled through using digital tools and apps to innovate processes, make decisions and solve problems. Digitalization requires redesigning the role of HR professionals and developing new competencies that will help to ensure employee wellbeing and organizational sustainability in the digital era (Cantoni & Mangia, 2019, pp. 58-59).

To cope with the change in global Market Behaviour, enterprises realize the need to transform traditional business models to gain a sustainable competitive advantage and maintain pace with the digital evolution. Even we had seen before covid outbreak most of hr practices were offline except a few, The pandemic accelerated the shift toward greater adoption of digital technology. HR has had to adapt to new technologies to facilitate remote work, hiring, onboarding, training, and development. This includes the use of video conferencing, digital learning platforms, and virtual recruitment tools hence the outbreak made it clear that this digitalization or online and offline integration has become a necessary point for survival. If enterprises fail to do this, they may not survive (Yu & JInajun, 2020).

LITERATURE REVIEW

A detailed analysis has been conducted in reference to digital HRM and various papers are reviewed and the following topics has been extracted and segmented into different four parts. First, a brief review of HRM definitions is provided and the term Digitalization & Digital transformation in HRM is defined and analysed second, the comparison is made between traditional and present role of HR managers and emphasis is given on the new digital HR manager's role. Third, discuss the impact of digital technologies on specific areas of HR. Finally, we come up with conclusions is drawn and provide some guideline for further research.

Human Resource Management

The concept of Human resource is continuously evolving from traditional personnel management to human resource management. Personnel management was a narrow concept which is concerned with making best use of employee and doesn't focus on wellbeing and personal development of employee. HRM is a multidisciplinary organizational function based on various theories and ideas of multiple fields such as management, economics, sociology. HRM is defined as the process of planning, organizing, directing, and controlling the procurement, development, compensation, integration, maintenance, and separation of human resources (Edwin flippo)

HRM is all about balancing the organization's people and processes to best achieve the goals and the strategies of the organization, as well as the goals and the needs of workforces. The leading role an HR manager has to fulfil is to integrate business operations and strategies across a wide array of culture, products, and ideas, while effectively delegating work among HR specialists and line management. HRM is about balancing an organization's people and processes to best achieve its goals and strategies, and the goals and needs of its staff. The leadership role that HR managers must play is to integrate operations and business strategy across a wide range of cultures, products, and ideas while effectively delegating work between hr professionals and management.

Digitalization in HRM

Brennen and Kreiss (2014) digitalization is defined as "A way to which many areas of social life are restructured around digital communication and media infrastructure". In short we can say Digitalization

refers to how people utilize IT. Digitalization is The ability to transform an available product or service into a digital variant that offers greater benefits than a tangible product. Digitalization helps organizations make their processes more efficient and improves customer experience (Pagani & Pardo, 2017) which is hard to achieve without digitalization in HR. in order to better understand digitalization one should also know there is a thin line difference between Digitizing and Digitalization , where Digitization means "the process of digitizing i.e. the conversion of Analog data into a digital form" (Berman et al., 2014), while the term digitalization denotes the transformation of business functions and business models into the digital form (Legner et al., 2017; Burchardt et al., 2019; Ritter et al., 2020). Digitalization is also used to indicate the combination or blend of digital technologies into various areas of a business.

Digital transformation

Digital transformation has become a buzz word in the era of digitalization. Digital transformation in human resources (HR) is the process of integrating digital technologies into HR management to improve efficiency and effectiveness of various organisational function and processes. It's an ongoing process that involves adopting digital tools, technologies, and data-driven approaches to meet the demands of the modern working environment. Payne (2010) He argues that until HRM changes and begins to manage the HR function strategically, senior managers are likely to continue to view HR as a source of financial loss for their companies. Digital transformation create value in term of operational effectiveness, successful business model, organizational performance, and competitive advantage (Legner et al., 2017; Branca et al., 2020; Gong et al., 2021).

It includes superior customer experience, better stakeholders' relation, cost reduction, and enhanced strategic differentiation (Götz et al., 2020). Digital transformation also involves new concepts and rules for conducting business, both internally and externally (Nivlouei, 2014; Demartini et al., 2018; Rachinger et al., 2019).

Digital transformation in human resource management

Digital transformation is a key aspect of the ongoing fundamental changes in the functioning of modern economies. The emergence and rapid development of digital technologies such as big data, machine learning (ML), artificial intelligence (AI), Internet of Things (IoT), Internet of Services, mechatronics and advanced robotics, cloud computing, cybersecurity, additive manufacturing, digital twinning and machine-to-machine (M2M) communication are enabling organizations to develop new business models and new skills and competencies of their employees, resulting in resulting in effective product optimization and increased overall productivity and competitiveness of the organization (Sakellaridis et al., 2011; Bajer, 2017; Demartini et al., 2018; Branca et al., 2020; Zehir et al., 2020).

Over the last two decades HRM became increasingly digitalized. Artificial intelligence improves human analytical capabilities and extends human cognitive capabilities. The growth of digital innovation is forcing companies to modify or completely change the way they operate and then reinvent their business models. To successfully digitally transform their workforce, it is essential to have a comprehensive strategy in place to attract new talent, professionally develop them, and retain current employees. In this sense, HR becomes a strategic partner of the company, ensuring the company's long-term competitive advantage in the digital age (Ulrich & Dulebohn, 2015). Automation is transforming jobs and the skills that is currently required in the digital era. In the digital era, cognitive and social

behavioural skills are insufficient, but adaptability, creativity, and critical thinking are actually important attributes of modern employees (Korn and Pine, 2011). At the same time, employees are diverse in age, race, digital skills and gender, are more transactional and require work-life balance, flexibility and ongoing training and development. In order to survive and remain competitive in the current market scenario of digitalization HR manger have to be sensitive to culture differences, ethics and have to continuously change (Gulliford and Dixon, 2019).

The roles of HR managers

The role of Digital HR Manager is to help the company implement and use digital tools and technologies to improve HR processes and services. Some of their tasks include. Assessment of current: Identify areas for HR process improvement and automation. Define the roadmap: Creating a plan for implementing HR technology that matches commercial goals. Supervision of project: Integration of new software and HR system and management of impact on employees. Enhance HR tech: Continually improve your HR technology stack to take advantage of new innovations. Keep a check on a performance: Monitor HR performance metrics and analytics to identify trends and make recommendations for improvement. In 1997 Ulrich defined four HR functional model roles for HR managers that combine a focus on talent and HR activities, He suggested following roles of hr manager (a) strategic partnership (b) work organization experts (c) agent of change (change agent) (d) employees representative. This framework is widely accepted and also criticised and have some of hidden conflict as In reality, human resource managers are responsible for meeting the needs of both employers and employees (Lawler and Mohrman, 2003, Bhatnagar and Sharma, 2005, Lemmergaard, 2009, Pritchard, 2010, Caldwell, 2011, Yusoff, 2012)

According to Ulich and the majority of other academics, this conflict can be resolved if HR professionals are able to recognize each party's interests and acquire the necessary abilities to weigh their claims (Andolsek, Primozic and Stebe, 2013). Later on in 2012 Ulrich , et.al developed a new framework that need to be adopted by HR managers to face the challenges in new digital working environment .These six competencies are as follows(Beardwell and Thompson, 2017):

- **Strategic positioner:** These are HR professional who evaluate and translate business contexts into insights to help their organization to succeed.
- **Credible activist:** These are HR professional who is known for their integrity, interpersonal skills, and ability to influence others.
- **Capability builder:** the process of developing the skills and knowledge needed by employees to perform their jobs and grow professionally and helps organisation to adapt to changes
- **Change agent:** helps an organization adapt to and prepare for changes by influencing and inspiring others which Develops organizational capacity, overcomes resistance to change and ensures the necessary resources.
- **Human resource integrator:** the process of integrating HR operations, information, and procedures with other organizational divisions and systems.
- **Technology advocator:** encourages the utilization of technology to enhance effectiveness, output, and competitiveness within a company.

Current need of business organisation has shaped the role of the HR manager, which comprises of both strategic and operational objectives which are as follows (Torrington et al., 2017)

ROLE OF HR MANAGER	HOW THESE ROLE ARE MEET BY HR MANAGER
Staffing objective (strategic role)	Hr manager strategically manage an organization's talent pool by Identifying high-potential employees, Addressing skill gaps, Promoting a culture of lifelong learning by training through various digital and traditional medium.
Performance objective (strategic role)	Any business organization who wants to meet its organisational performance goal needs a workforce that are trained, and given fair compensation. It is the duty of those in charge of HR management to establish a work environment where employees are motivated to show discretionary effort in addition to meeting performance standards. In the meantime, it is the responsibility of the HR manager to implement disciplinary policies and take appropriate action to guarantee that underperforming employees are treated fairly and effectively.
Change management objective (strategic role)	The HR manager's duty involves making strategic decisions, developing, and acquiring a plan. Engaged in revolutionary HR strategies to effectively manage change. The way employees respond, the change facilitators, and how the implementation is carried out.
Administration objectives (Operational role)	It helps an organization to work smoothly. It keeps the record of all employees relating to there performance, there absenteeism, training and development programmes, rewards and payments and may more which help's an organisation to take rational decision. Compliances with rules and regulation is also the part of this role.
Reputational objectives (Operational role)	The role of personnel management is to create and maintain a status of the organisation in terms of business behaviour , ethical substances, observe the

	law and promote the wells of its employees

In addition to conventional role, new roles of hr manager are emerging due to advancement in digital technology. With the advancement of digital technology, changes are taking place very frequently in the area of HR planning, recruitment & selection, training, development, remuneration and performance evaluation. The term "Digital HR" can be understood as the integration of Social, Mobile, Analytical and Cloud (SMAC) technologies aimed at automating various areas of HR to increase productivity, rethink the way HR processes are implemented and improve work-life balance, with a focus on real-time access, decision-making and results (Stephan et al., 2016). Molotkova et al. (2019) identify digital HR as a flexible approach to staff development with an active role of the digital space in stimulating change and effectively using the talents and experience of employees.

Most strategic role of digital HRM: Data on individual and team performance is accessed, gathered, retrieved, and analysed using the Automatic Call Distribution System. Human resource information systems (HRIS) are a useful tool for gathering, storing, and analysing data related to the majority of HR-related topics. These systems and techniques help's to create and execute HR procedures that enhance output, retain talent, anticipate staffing requirements, and most frequently, include hiring and selecting employees. Most businesses gather information about their employees and foster Employee's involvement by using network and internet technologies via websites and network devices. People analytics are enhanced by machine learning and artificial intelligence. Social media is widely utilized in HR tasks like hiring and choosing candidates, but it also brings up management and legal concerns including justice, ethics, and the law.

The aforementioned technological advancement define a new role for HR managers (digital enablers) who evaluate the impact of these changes on the organization work on productivity and productivity, on engagement and employee engagement, and on the relationships between employees and the organization, between candidates and recruiters, and between superiors and subordinates in the hierarchy. Escalating the HR function from regular tasks towards a more highly developed approach .

DISCUSSION

The result of this research paper shows how shift to digital has transformed/ changed HR process and functions, as all practicing HR managers wrote about the use of HRIS (Human resource information systems) and other technologies that have a significant impact on their work. All participating HR managers speaks positive about the transformation in HR processes, mentioning following benefits: ease of documentation , speed, accuracy, ease of communication across Emirates, use of teleconferencing, simplicity, better organization, less paperwork, increased accessibility, ease of collecting comparative data, improved planning, improved performance, improved motivation. The digital changes of Human resource management is concerned with three focal areas: "digital workforce/employee", "digital work" and "digital labour/ employee management" (Strohmeier et al., 2009).

Digital workforce/employees are the new entrant In organisation who more digital capabilities and qualifications , have skills required in digital world and are multitaskers, they like and search for more information and are learning by doing and ask for more and instant gratifications and rewards, new entrant are more heterogeneous to complex digital environment(Helsper and Eynon, 2010). In order to support organizations, strategic and practical HRM adaptation to a changing workforce is an essential step.

Digital work: in today's digital era most of the work is digitalized using various digital tools and media for this A new set of technical and mental skills are required to be methodically gather, process, and applied in order to carry out a task efficiently.

Digital employee management: Digital workforce/ employee management is a strategic approach that works in conjunction with employees by using technology to automate tasks and processes. Workflows are streamlined and human skills are increased through the collaborative synergy created by combining automation tools and technology.

Digital workforce management is the result of automation and human resources working together harmoniously to increase productivity, decrease errors, and optimize corporate operations. It is recognised that the fate of an organisation and the success of any business depends on the quality of its human capital and how it is managed, in addition to technology and leadership. This digital transformation need for recruiting tech-savvy talent, filling skill gap, and retaining employees. Hence, human resource leaders need to be empowered (by their organizations) with the capabilities (knowledge and skill) to oversee sophisticated and advanced workforce analytics and use digital technologies for the HR function.

Conclusion

With Digital advancement and growing competition, the role of HR mangers is changed drastically from static to more dynamic. There is no doubt that digital technology has increase the productivity, profitability and efficiency of HR functions and practices. In order to fill the gap or lag between the latest skills and knowledge it is required to train and develop the HR manager and build loyalty and engagement, manage diversity, enable work life balance and reduce the employee turnover, enabling work-life integration and retaining the talent pool of digital employees. HR managers also need to acquire digital skills and upgrade their technological skills as per the current need. Increasing comprehension of human resources functions requires further investigation into how and in what ways these functions are influenced by professional and organizational traits. It is important to examine the moral implications of accessing, storing, and utilizing employee data through digital technologies.

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