

## IMPACT OF DIGITAL REVOLUTION ON HRM

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### ABSTRACT:

The field of HRM in recent years have seen a significant transformation, the organization's readiness for people and technological strategies have been put to test by the pandemic. The global disruption has also acted as a force multiplier and, ensured irrevocable changes in the technological structure for an organisation. Most of the skills identified earlier to sustain the HR function as early as the start of the last year are going through a change and may cease to make an impact as expected. So, this paper would not only identify the catalysts of technological change, but would also highlight the feedback fallacy that is widening the skill gap and, have delayed learning. Very importantly, when innovation is the driving force of a change, it is bound to impact the organisation and people both locally and globally. Managing this force and aligning business strategies to sustain and deliver differentiated people and business values becomes equally critical. The organisations are likely to be dependent on data-driven methodologies and digital literacy to enhance the effectiveness of business processes and making them sustainable.

One of the main challenges in the HR tech space is the distribution of learning, as most of the technology-driven agendas are foreseeing the requirement and are futuristic. However, the adoption is happening in the present and, for some yet to move from the past. Apart from this internal environment challenge which can be addressed to an extent by strategic analysis, there are external challenges related to strategic intent, capability and decisions.

The strategic role of HR partners in implementing a transition can be divided into two main areas: transactional activities consist of service delivery aspects and strategic activities focused on achieving organisational goals. HR leaders need to build the capability of turning a company's strategic intent with regards to innovation into tangible. However, the challenge to create an organisation where every employee is responsible for sustainable innovation as an innovator, manager, team member or mentor will determine this futuristic transition.

The post-pandemic era is now focusing on new parameters such as:

- The concept of performance is redefined towards outcome-based objectives.
- Critical success factors being frequently evaluated.
- HR strategies directly linked to Business strategies.
- Artificial Intelligence defining employee experience.
- Cognitive flexibility of the organisation.

The strategic flexibility of adoption to an innovation strategy would determine its value, sustainability and, will empower leaders in fostering a technologically driven environment and leading an improved HR version.

**Keywords:** *HRM, Learning, Innovation, HR Strategies, Artificial Intelligence.*

### Impact of Digital Revolution in HRM

With the organisations undergoing a series of changes in terms of assigning roles, realigning structures, readjusting business strategies and redefining competencies, the first real responsibility of the HR function is to be incredibly flexible to be able to adapt to this dynamic landscape. Developing systematic organizational capabilities is a complex and multidimensional challenge, it cannot be oversimplified or achieved with an outdated version of internal dynamics and therefore the need for

more sustainable HRM is paramount.

Human Resource Management (HRM) is creative and innovative management (art) of people applying precise and rigorous (science) theories (DeCenzo et al. 2010). Effective HRM is a managerial procedure of striving cutting edge advantage, by strategic deployment of a competitive workforce using various methodologies of structural, cultural and organisational techniques. However, the success and the sustainability of

an HRM will be determined by the organisation readiness to build, facilitate and focus on key deliverables as the priorities may keep getting overlooked, due to the current exigencies of the very nature of the organization. The HR strategy consists of the deliberate introduction of overall approaches to human resource management, such as high-performance management, high involvement management and high commitment management.

By creating systems to achieve better organizational performance, strategic human resource management in the post-pandemic

environment will have to focus on these five strategies:

#### Competitive advantage

The scales of performance have changed from KRA based parameters to outcome-oriented deliverables. This change needs a deeper understanding of the job roles and therefore, the organisations are now focused on gaining the strategic goal emerging from the innovation-based initiatives to 'create firms which are more intelligent and flexible than their competitors.

This enhancement of the human and intellectual capital of the organisation has given a direct competitive advantage for effectively navigating the VUCA dynamics of the market.

#### Focused differentiation

In the context of establishing a sustainable HRM, an organisation needs to identify and nurture key differentiators that can help them to focus on improving the efficiency of their existing operations. Whether you are a service or a product organisation, essentially innovation is the only sustainable competitive differentiation that would decide the longevity and the success story of your strategies. The success factors contributing to your organisation now needs to be evaluated more frequently to readjust and align them with the larger objectives and an end in the mind.

#### Business-driven HR

The human resource department is no longer a payroll function, and therefore the due credit to the department dealing with the human capital of the organisation needs realignment. Transferring administration from HR to the dedicated service functions is just the beginning of HR transformation, most organisations believe that automation of HR is restricted to this first level of change. However, the change begins from here in the actual sense. The automation of HRM will enable your function to streamline processes and seamless execution

of mundane requirements only. The essential contribution of HRM to business will never take place unless the colours of business dynamics are painted on an HR canvass. Only when this happens, the organogram will become sustainable and strategic.

#### The Auto-mode HR

The AI concept continues to challenge the traditional processes in the pre and post-pandemic era, the machines learning intelligence is suggesting that AI can deliver real value and can be a powerful force for disruption. The early-adopting firms are making it urgent for others to acknowledge and execute digital transformation strategies. One of the common questions generally ignored by AI-based tools is that employees will need to be aware of ethical and privacy questions when using this technology. As an employee, one might agree to engage with artificial intelligence to achieve desirable outcomes but, are we going to accept the invading of such tools into our personal space. Is Artificial Intelligence capable enough to draw a line between the two sides of an individual? The HR function would need to invest themselves into a hybrid workspace eventually to blend human and artificial intelligence for accomplishing strategic goals of the organisation. One of the terms I would like to coin through this paper is "human-ificial intelligence" the chemistry between human and artificial intelligence (Mohit Sharma, 2021) This term relatively correlates an understanding between human and machine intelligence and also invite questions about the sustainability of this combination. An example of this relationship is when we are on a flight for hours, do we bother to check if the plane is flying on autopilot or by a human pilot. Possible due to the very fact we have seen a pilot walking into the cockpit, and our mind has ensured it is good to go. On the other hand, if

we have to travel in a driverless car, how many of us can feel the same way about our safety. So, it is important to understand that possibly a human knot working with a machine bot is more reliable and trustworthy. There is no doubt that we need machines delivering our mechanical processes to ensure better efficiency and output, but there is a grey that would continue to prevail. Another import aspect of this association would be to survive the ever-evolving dynamics of human beings. To address the identified gap of understanding, we are working on machines to understand humans, where possibly we should be working towards understanding human dynamics through machines. The approach ideally should be other way around. One of the most critical inputs that can be delivered by this combination of intelligence in recent times, is to establish a gap between a skill and a will issue. Considering human psychology with its established complexities, human-ificial intelligence can bring these two dimensions closer to understanding and therefore will prove beneficial. If an intelligence is able to bridge the gap between a skill and a will, then the effectiveness of this intelligence can be exponentially utilized by deploying learning for the right skill and to train for the right attitude.

#### Cognitive Flexibility:

The cognitively flexible organisations will be able to learn more quickly, solve problems more creatively, and adapt and respond to new situations more effectively, which is why it's critical for both worker and the workplace. Factoring the ever-dynamic nature of organisations this skill is far more than important, as the ability to switch between thinking about two different strategies or to think about multiple problems simultaneously is the need of the hour. Organisations with cognitive flexibility will be rewarded with a higher learning curve, global

opportunities and creative innovation, and it will help them widen their perspectives to the business challenges. Contrary to this skill, cognitive rigidity is a lack of flexibility in the organisation and its practices which makes change management an uphill task for management often leading to internal resistance.

### Conclusion

The inescapable conclusion is that what is best depends'. It can therefore be claimed that the best-aligned strategy is more important than best practice. But there are limitations to the concept of the best-aligned strategy. There is a danger of mechanistically matching HR policies and practices with business strategy. Also, it is not credible to claim that there are single contextual factors that determine HR cum business strategy, and internal fit cannot, therefore, be complete. Because all organizations are different, all HR strategies are different.

There is no such thing as a standard strategy, and research into HR strategy HR strategies may not be deliberate. It was pointed out by Mintzberg (1987: 67) that: 'An organization can have a pattern (a realized strategy) without knowing it, let alone making it explicit. HR strategy may simply consist of a broad statement of intent that provides the framework for more specific strategic plans in individual HR areas. The whole area of human capital management presents both an opportunity and a challenge. An opportunity to recognize people as an asset that contributes directly to organizational performance, and a challenge to develop the skills necessary to identify, analyse and communicate that contribution and ensure it is recognized in business decision making.

By developing strategies to generate better and more accurate information on human capital, and communicating this information both internally and externally, organizations will not only improve

their business decision making but will also enable stakeholders to make more accurate assessments about the long-term future performance of the organization.

"The art of intelligence is knowing what you don't know" - MS

Though the focus would always remain on learning, we must unlearn the machines as well to ensure the necessary space is maintained between the two. Both human and machines need to co-exist as one may not sustain without the other. Therefore, it is very important to understand the global impact it can make before deep diving into the actionable.

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