

*Impact Of Digital HR Practices on Strategic Human Capital
Management and Organizational Performance in IT Sector*

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Abstract: In the present scenario, a thorough understanding of organization's value creation model and ability to develop competencies through improved processes, better technology and motivated people are essential to ensure that the Human Resource (HR) function is aligned vertically and horizontally to produce superior results. With this understanding, HR function can better articulate how it can improve HR decision making, processes, people, and customer outcomes and business results. Automation is the way to enhance HR exercises in an organization and eventually in accomplishing organization objectives. From a more extensive point of view, Digitalizing HR practices bring about a very well-organized entity with better-educated individuals. The present best-of-breed Digital HR Practices robotizes everything identified with HR into a single online worldwide programming framework. It furnishes crucial HR components as well as presents cutting edge qualities that make human resources more efficient and enhance organization's crux.

Keywords: Digital HR; Digital HR Practices; HRIS; Digital HRIS; Digital Human Resource.

I. INTRODUCTION

In the current scenario, an exhaustive comprehension of association's esteem creation model and capacity to create capabilities through enhanced procedures, better innovation and propelled individuals are basic to guarantee that the Human Resource (HR) work is adjusted vertically and on a level plane to deliver prevalent outcomes. With this knowledge, HR capacity can judge how it can enhance HR basic leadership, procedures, individuals, and client results and business outcomes. The HR functions are required to build up the abilities expected to evaluate how associations establish esteem and adjust the HR capacity to execute the organizations strategy.

The association must convey an incentive through planning individuals, procedures and innovations and there is a need to build up an arrangement to structure an association's kin, procedures and advances to make most extreme incentive for partners. The arrangement of HR ought to be in such a route in order to amplify worker execution.

Automation is the key to enhance HR activities in an organization and eventually in accomplishing organization objectives. The exploration results have demonstrated that organizations utilizing programming to proficiently deal with their human capital parts are seeing a more prominent benefit and upper hand over others. Via computerizing routine HR assignments, the associations can focus on building up the workforce and building a vital accomplice (Chamaru De Alwis, 2010).

Information is an essential element for administration. On time, precise and important data is vital for arranging and decision making. The data framework is an arrangement of composed method which when executed, gives facts to help, arranging and basic leadership.

From a more extensive point of view, Digitalizing HR practices bring about a very well organized entity with better-educated individuals. Activities turn out to be more effective, work duplication is killed and HR organization turns out to be more streamlined. Above all individuals can invest more energy in basic leadership and key arranging and less time on data information and everyday HR organization. Such an automation, appears to assume critical parts for Human Capital Management (HCM) in light of the fact that Digital HR process capacities enhance HCM as far as regulatory purposes and scientific purposes. Despite the fact that Digital HR Practices is as yet being utilized for regulatory finishes as opposed to systematic closures, the future utilization of Digital HR Practices will be in vital decision-making process. Workers currently can get to the data on their cell phone and on their PCs utilizing portable information cards.

Digital HR Practices is winding up progressively essential in assisting modern associations with managing their human resources successfully. In view of Aberdeen's criteria, research proposes that utilizing a completely coordinated HR framework to streamline and enhance general tasks can enable organizations to end up as pioneers in their separate enterprises. As per a Report by Aberdeen Group Report 2007 the organizations which were utilizing completely coordinated framework for ability administration will probably accomplish best in-class status. As these frameworks advance and convey perpetual usefulness to HR, utilizing them is turning into the standard and a key expertise for any expert in the HR business. The present best-of-breed Digital HR Practices robotizes everything identified with HR into a single online worldwide programming framework. It furnishes crucial HR components as well as presents cutting edge qualities that make human resources more efficient and enhance organization's crux. These frameworks mechanize work process to enhance effectiveness and empower organizations to track, oversee and dissect information for all representatives from candidates to retirees. They join conventional HR with ability administration and announcing instruments that give an entire portfolio of an organization's workforce for better key arranging (Alok and Ibrahim, 2010).

It is just impossible to meet HR challenges in today's world without the use of Innovative technology. Individuals need to work in associations having the most recent innovation and this is the essential contribution to be a chosen employer. Vast organizations utilize investigative instruments to deal with their human capital, compute its esteem and adjust the workforce for most extreme efficiency. The Internet Technology is revolutionizing most parts of business, including the HR work and in the meantime, it is presenting new courses in conveying HR administrations. The innovation has changed the HR capacity to savvy robotized frameworks that enhanced the adequacy of workforce arranging and educated decision making.

II. LITERATURE REVIEW

The historical backdrop of Digital HR Practices starts from finance frameworks in the late 1950s and proceeds till the 1960s when the main computerized representative database was utilized (Walker 1993, Martinsons 1997)) shows how a "genuine" faculty framework was characterized in the late 1960s. According to Martinsons, "the main work force frameworks were made to store a gigantic measure of information for record keeping and revealing things related with faculty organization. Over a period of time, the improvement in HR activities created the plan, advancement and the effective usage of different PC based Digital HR Practices".

As per Kavanagh et al (1990) "HRIS as a System used to gain, store, control, investigate, recover and circulate data in regards to an organization's HR. An HRIS isn't just PC equipment and related HR – related programming; it additionally incorporates individuals, structures, approaches and strategies, and information". The HRIS is generally a piece of the association's bigger Information System. Old manual frameworks are slowly supplemented by mechanized HRIS.

Kovach et al.(1999), characterized HRIS as a "precise strategy for accumulating, preserving, organizing, recovering, and validating information required by association about its HR, work force exercises, and association unit qualities. Moreover, HRIS shapes an incorporation between human asset administration (HRM) and Information Technology."

Lengnick – Hall (2002) portrayed e-HR into three structures: distributing Information, mechanization, and alteration. They alluded e-HR parallel to web based business to lead business exchange identified with human asset utilizing internet. e-HR helps HR supervisors' part change from issues master to vital business accomplice. e-HR can immediately refresh their profile in the event of any change and will counsel human asset experts just when they view it as important, assisting HR experts with being engaged with key exercises instead of doing simply routine authoritative work.

E-HR is a Digital HR Practices programming having conveyance stage as Internet. Conveying human asset administrations on the web (e-HR) underpins more effective accumulation, stockpiling, dispersion, and trade of information, Hendrikon (2003). Most associations set up intranets principally for representatives, yet they can reach out to business accomplices and even clients with fitting exceptional status, (Tripathi, 2011).

As indicated by Singh (2003), it isn't just vital to recognize HR skills as per the business needs and creates determination and advancement practices to anchor those capabilities, but also to develop and actualize an execution assessment arrange for the connections between employee performance and the key objectives.

III. THEORETICAL BACKGROUND

Walker(1993) is characterized Digital HR Practices as "a PC based technique for gathering, conserving, organizing ,recovering and validating certain information required by an association about its workers, candidates and previous representatives."

As characterized by Hendrickson(2003) "A Digital HR Practices isn't just restricted to the PC equipment and programming applications that involve the specialized piece of the framework, but it likewise incorporates the people, policies, methods, and information required to deal with the HR work."

The Digital HR Practices keeps track on following exercises payroll, time and attendance, evaluation performance, benefits administration, HR administration data system, recruiting, learning management, training system, performance record, worker self-service, scheduling, nonattendance management, Digital HR Practices is an apparatus which helps the HR expert to give quicker administration, of better quality, which is consistently connected, thus helping the association to attain strategic advantage.

IV. DIFFERENCE TYPES OF DIGITAL HR PRACTICES

Like other PC based Information Systems, Digital HR Practices can likewise be put under essential three classes: Electronic Data Processing (EDP), Management Information Systems (MIS), and Decision Support Systems (DSS). As indicated by Sprague and Carlson (1982), HR exercises can be characterized into three general classifications: Transactional, Traditional, and Transformational. An EDP-based classification of Digital HR Practices was the soonest frame presented in the HR field and took into account the value-based level, everyday HR exchanges that need to bargain for the most part with record keeping—for instance, entering financial data, representative status changes, organization of worker benefits and so forth. MIS-based Digital HR Practices developed as innovation enhanced after some time, and concentrated on conventional level of HR exercises, as for enlistment, choice, and pay. Digital HR Practices at DSS centers around transformational level of HR exercises i.e., increasing the value of hierarchical procedures. Human Resource Decision Support System (HR-DSS) empowers basic leadership and determining capacities of HR administrators. It for the most part incorporates instruments by which clients or framework chairmen can create specially appointed reports and select particular cases or subsets of cases for show. Some modern HR-DSS can likewise reenact (or 'demonstrate') a scope of business circumstances, and in this way, assist the business with seeing how individuals will respond to various business offers or work circumstances and that if the displayed circumstances are sensible. Kavanagh (1990) named HR-DSS as Human Resources Management Decision System (HR-MDS). They portrayed it as the perfect framework since it gives basic data to decision making and in this way, ought to be utilized as a standard for building up any Digital HR application.

V. COMPONENTS OF STRATEGIC HUMAN CAPITAL MANAGEMENT PRACTICES

There are numerous factors assimilated in SHCM practices. It relies upon the size of utilization HR adopts in the associations. There are some Digital HR Practices bundles which are known as independent applications, customer server applications and online applications. There are number parts offered by ERP designers in Digital HR Practices.

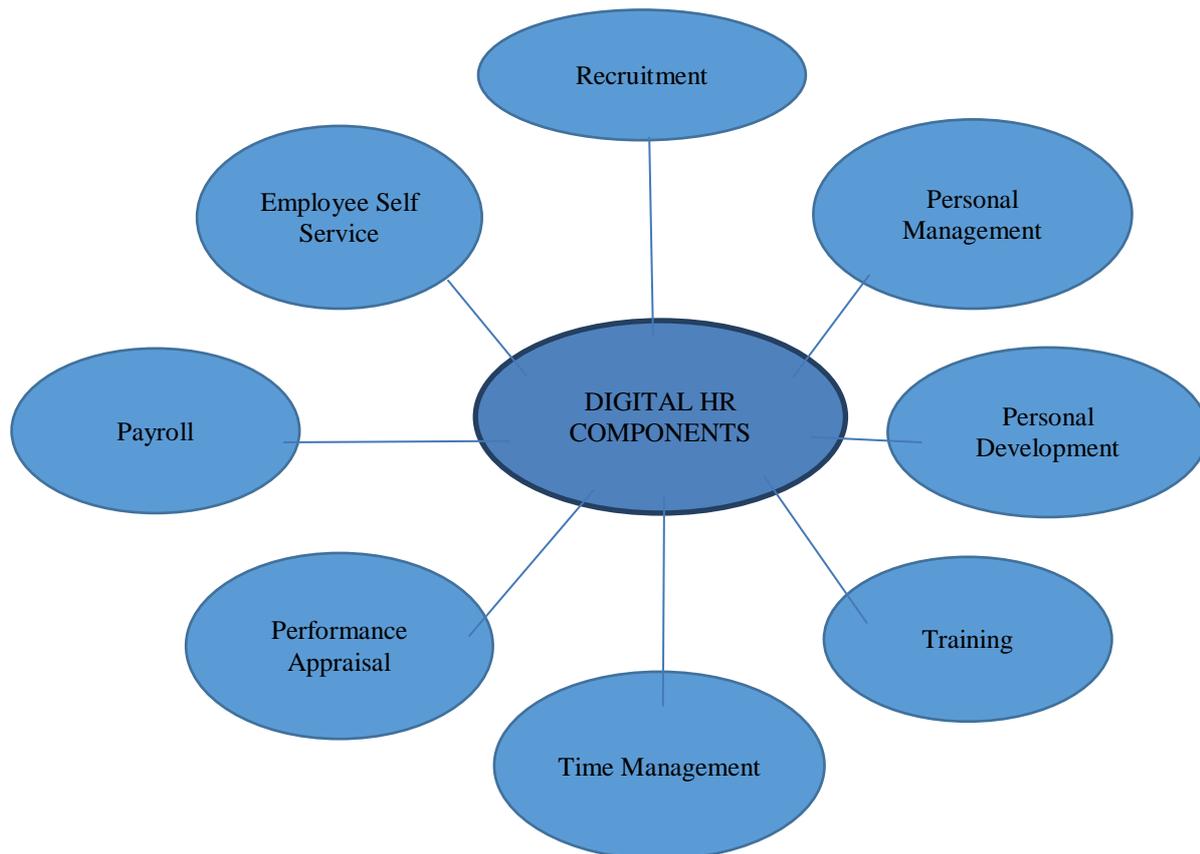


Fig 1: Digital HR Components Model

Recruitment: The enlistment segment is utilized to do the whole enrollment process from entering candidate information to staffing a position. This module is utilized for both inside and outside candidates. This module bolsters in speaking to staffing necessities, publicizing, overseeing and choosing candidates, and candidate's correspondence.

Staff Management: Integration amongst Recruitment and Personnel Administration empowers the candidate information to be exchanged as worker information, which you at that point need to supplement. Worker information is stored in database as representative records. The information can be shown, duplicated, edited and erased.

Work force Development: In the Personnel Development part, you can design and acknowledge staff improvement and further instruction and preparing for your representatives, with amalgamation of Training and Event Management. The faculty advancement necessities result from a correlation of the prerequisites of the activity and the employee's existing capabilities. Employee's execution and conduct can be assessed, the aftereffects of which give data to worker advancement arranging.

Training and Event Management: Training and Event Management is an exceedingly incorporated segment that reinforces planning, executing and overseeing instructional classes and business occasions. Training and Event Management is a perfect apparatus for continually broadening and refreshing the employees' learning. For instance, the connection with Personnel improvement empowers to recognize capability deficiencies and respond with focused preparing.

Time Management: Time administration segment bolster all the procedures that affect planning, recording and valuing employee's participation and sabbatical time. Data concerning employee's accessibility and work performed by them is an

imperative component in HR. It is additionally utilized as a part of different zones, for example, controlling and strategic. Data accessible through framework is utilized as contribution for finance estimation.

Performance Appraisal: This part assesses singular execution relying on the criteria chose by the association. It gives expected adaptability to choose measurements based on occupation, occasion and task given to a person.

Payroll: The Payroll module is utilized for computing each employee's compensation of work, auto increase, relay of pay to employee's bank account, creating statutory reports required and so on.

Individual Cost Planning: Individual cost planning underpins business forms that range beyond the limits of divisions and applications. Data about installment can be retrieved from different sources to make individual cost design.

Career Planning: HRIS could record anticipated positional moves. The framework must be equipped to furnish progression intends to distinguish which representatives have been reserved for which position.

The Employee self-benefit module: This module allows representatives to inquire HR related information and play out some HR exchanges over the framework. Workers may question their participation record from the framework without requesting the data from HR staff. The module additionally gives directors a chance to affirm O.T. demands from their subordinates through the framework without over-burdening the undertaking on HR division.

VI. NEED FOR DIGITAL HR PRACTICES

Generally, HR specialists were applying the most critical extent of time and exertion at the managerial level; trailed by the operational level and in conclusion, the technique level yet the opposite created a HR esteem include.

Because of globalization Human asset administration is a fundamental factor of any fruitful business. Digital HR Practices is indispensable to basic leadership and assumes a critical part in the achievement of the association. Digital HR Practices is a stage for the association to be more aggressive through legitimate correspondence with different frameworks. It lessens the limits of the framework which generates barrier for both vertical and horizontal correspondence inside the association. Worker ends up independent, to convey and to share understanding. Digital HR Practices is one media which decrease the boundaries of interchanges to enhance association execution. Territories like e-learning, learning, administration, discourse database and community figuring help in employee's improvement and upgrade the expertise and offer information/involvement with others. Digital HR Practices engage HR Manager as well as workers of the association.

As stated by Hendrikson (2003), An all around outlined Digital HR Practices can fill in as the principle administration instrument in the arrangement or incorporation of the HR office objectives with the goals of long haul corporate strategic planning. According to Carrell et al.(1999) HR information should be exhibited to supervisors to help basic leadership in the association. This general idea is known as Decision Support System (DSS). With the expanding significance of HR issues as basic factors in strategic planning and basic leadership, the capacity of the Digital HR Practices to measure, examine and display change turns out to be critical. Viable Digital HR Practices abilities can furnish an organization with focused and key preferred standpoint while experiencing a change procedure.

The most praiseworthy component of this framework is that it has expanded straightforwardness that prompts better correspondence with clients. Particularly the cooperation with the client network is the key favorable position of Digital HR Practices.

VII. OBJECTIVES OF THE STUDY

1. To survey the ramifications of Digital HR Practices on individuals and process viability.
2. To assess the ramifications of Digital HR Practices on authoritative execution.

VIII. DIGITAL HR PRACTICES FOR ORGANIZATIONAL DEVELOPMENT

Digital HR Practices for Organization Development: As indicated by French and Bell, hierarchical advancement is an orderly procedure for applying conduct science standards and practices in association to expand individual and authoritative adequacy. It is concentrating on making collaboration inside the association for reasonable superior by remembering all frameworks and subsystems. Worldwide rivalry and financial motion have uncovered the shortcomings of association. They keep on being congested with a similar old bulky and moderate work process and wasteful interior structure. There is a need, for administrators to dependably consider mantras – reengineering, rebuilding and change in a journey to wind up as globally competitive. The motivation behind hierarchical improvement is to expand the adequacy of the association by building up the idle abilities of the individual members which help the methods for cooperating and accomplishing desired objectives. Associations are thought to be genuinely viable just when there is a common domain that is ideal for both the association and the person to develop and create.

Associations keeping in mind the end goal to survive and develop in the aggressive world need to adjust to new innovation, new markets and new difficulties. In today's focused world quality, speed and convenient conveyance are basic for survival of the association. The authoritative capacity to react to the clients and partners or be the first to market may have a critical effect as time is at a premium. Associations which are versatile and grow new innovations and receive changes faster in the commercial center are the ones that will survive the opposition. (Incorporate to computerized hones in IT SECTOR)

Digital HR Practices is a feature of changing HR patterns and in the ongoing circumstances HR capacities are being supplemented by innovation. Most of the IT firms are restoring few HR related frameworks, for example, a work force database, finance framework and advantages framework, with one Digital HR Practices that does everything. Numerous HR individuals in IT associations focus on the enhanced detailing and preparing that will be acknowledged from the new framework and those are the reasons most firms execute another Digital HR Practices. While HR data frameworks are presently broadly utilized - as indicated by the CIPD's 2005 study, People and Technology, around 77% of all associations utilize some type of Digital HR Practices - it isn't evident whether they are having the coveted impact and whether the HR experts are utilizing the innovation to its full limit?

Digital HR mix of programming and frameworks are related with overseeing worker information about enrollment and determination, finance, training and improvement, leave administration, ability administration, execution examination and related HR capacities. Digital HR Practices is hence about innovation to oversee HR capacities. A basic perspective of Digital HR Practices applications is appeared through IPO display which stands for Input, Process, and Output. According to the perspective of Gerardine DeSanctis(1986) late improvements in innovation have made it conceivable to make a continuous data based, self-benefit and intelligent workplace. Work force Information Systems have advanced from the robotized worker record keeping from the 1960s into more intricate announcing and choice frameworks generally 1980.

A Digital HR Practices isn't just PC equipment and programming yet it additionally incorporates individuals, structures, arrangements and systems and information. Ideal from labor necessity to vocation way, grievances, worker welfare, up to post retirement in every last stage the HR office is in terrible need of right, solid, correlated and auspicious data to take right choice. Digital HR Practices is a device to complete HR activities all the more effectively and proficiently. Each administrator needs to be auspicious and rectify data to take right choice. Digital HR Practices causes and help to the HR supervisor to do the HR undertakings all the more effectively.

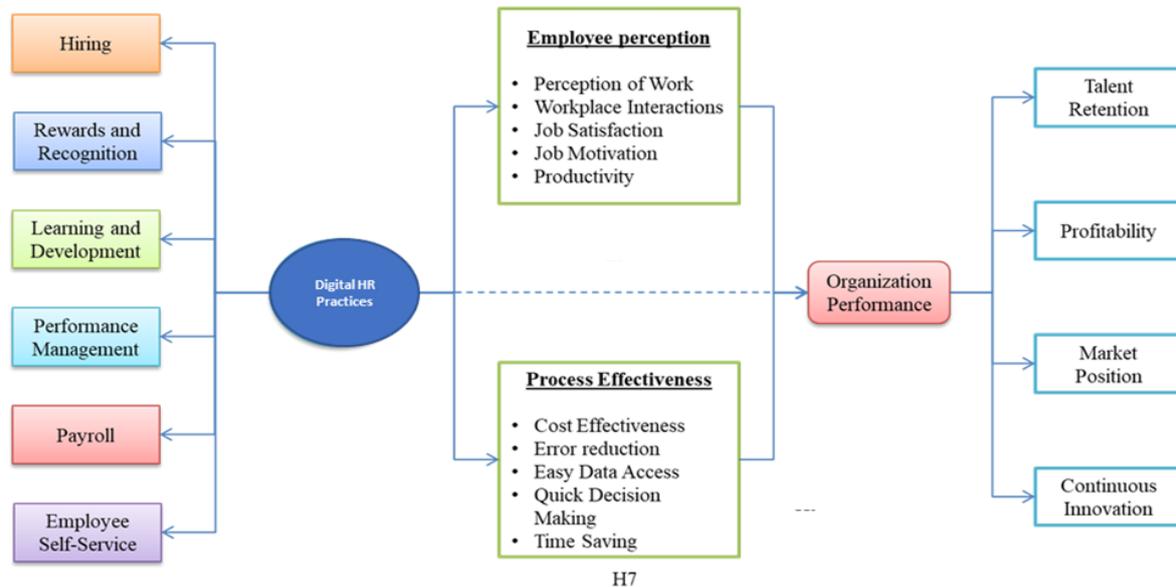


Fig 2: Digital HR Process Model

IX. BENEFITS OF DIGITAL HR PRACTICES FOR IT SECTOR

The accompanying advantages are obtained from the framework: High speed of recovery and organizing of data, Reduction in duplication of endeavors prompting diminished cost, Better investigation prompting more powerful choice making, more valid information, Better work culture, Improved nature of reports, Establishing of streamlined and orderly procedures, More lucidity in the system, To survive and to be fruitful, an association needs to hold its upper hand through Digital HR Practices. Digital HR Practices is an instrument to get required data. Data identified with human asset and their aggressiveness gives included advantage of legitimate sending of labor. Digital HR Practices helps HR Manager to take right choice based on status– quo of the association. It is useful to lessen vulnerability of association about some future occasion or state.

X. CONCLUSION

Digital HR Practices frames combination between Human Capital Management (HCM) and Information Technology (IT). It's an entire arrangement programming for information passage, information following and information data required by Human Resource works inside the association. Digital HR Practices speeds up the data gathering process, as well as more vitally, it arranges for HR office to center on more vital exercises and help the change of HCM into SHCM. This research endeavors to investigate the degree of utilization of Digital HR Practices by associations in India and to distinguish the sort of advantages they are achieving by its usage. In any case, the key aim of this study is to experimentally investigate the effect of Digital HR Practices on SHCM, so the associations can be persuaded to utilize Digital HR Practices for investigation reason to change their HCM to Strategic HCM.

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Dr. Subhasree Kar, Associate Professor in the School of Management, CMR University has been a distinguished scholar throughout her career and a popular teacher with seventeen years of academic experience. She is a MBA in Human Resource Management and Marketing Management from Berhampur University, Odisha. She is UGC NET qualified and obtained her doctorate in Business Administration from Utkal University, Bhubaneswar. She secured first class first position in the University merit list in Psychology (Honors) and stood Second in the University merit list in her MBA. Her interest in social studies helped her to obtain a degree in MSW and PGDRD. She has taught many courses at PG level and for Executive MBA programs of several Universities at Bhubaneswar as well as in Bangalore. She has been an active researcher; having presented her work in a number of conferences and seminars of repute across the country. Her research papers have appeared in peer reviewed indexed national as well as international journals. She has published two books. One on “Managerial Research Methodology” in 2014 and the other one on “Introduction to Management and Organisational Behaviour “in 2016 .She has been a reviewer for conferences and journals . She serves as an Editorial member for Sage Open.



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