STUDY ON DIGITIZATION IN HR PRACTICES IN GLOBAL WORLD

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Abstracts

Background: This study explores the use of digitization on HR practices in a global context. The transformation of HR in response to digitization is a critical aspect of organizational adaptation to the digital age.

Method: A quantitative survey was conducted with 100 HR professionals. The survey included five questions to assess the level of HR digitization and the importance of digital transformation, and the preparedness of HR professionals.

Findings: The findings indicate a diverse landscape of HR digitization, with varying levels of maturity. However key challenges in implementation include resistance to change and budget constraints. Notable digital strategies include HR analytics and automated recruitment systems. A strong consensus exists on the importance of digital transformation, and many HR professionals feel well-prepared for the digital age.

Keywords: Digitization, HR practices, digital transformation, challenges, strategies, preparedness, HR professionals, quantitative survey.

1.0 Introduction

In the ever-evolving landscape of the global workforce, change is the only constant. The emergence of digital technologies has not only accelerated this change but has also fundamentally transformed the way organizations operate. As businesses worldwide embrace digitalization, the impact is keenly felt in the realm of Human Resources (HR). "Digitization's Influence on HR in a Global Context: Strategies for Success" explores the dynamic interplay between digitization and HR management on a global scale. This research delves into the myriad ways in which digital technologies have revolutionized HR practices and presents strategic frameworks for organizations to navigate this new terrain successfully (Akshay, K., & George, S. 2016).

The 21st century has witnessed an unprecedented digital revolution, with technologies such as artificial intelligence, automation, big data analytics, and cloud computing becoming integral to modern business operations. These digital tools have permeated every aspect of human life, and HR, as the custodian of an organization's most valuable asset - its people - is no exception. In an increasingly interconnected world, the digitalization of HR is no longer a choice; it is an imperative (Mugge, P., et al 2020).

This transformation extends far beyond the automation of administrative tasks. Digitization has ushered in a new era of HR that touches upon recruitment, talent management, employee engagement, learning and development, and even employee well-being. It has redefined the boundaries of geographical limitations and created opportunities for global talent acquisition, remote work, and cross-cultural collaboration. However, with these opportunities come unique challenges and complexities.

The global context in which organizations now operate adds another layer of intricacy. As businesses expand their operations across borders and cultures, HR professionals must adapt to the diverse demands of an international workforce. This necessitates a nuanced understanding of the global impact of digitization on HR strategies (Kholod, S., et al 2021)

This research aims to unpack the multifaceted relationship between digitization and HR in a global context. It will examine the opportunities and challenges presented by digitization, as well as the strategies employed by leading organizations to successfully harness the power of digital technologies. By exploring best practices and real-world case studies, this study provides actionable insights and recommendations for HR professionals, leaders, and organizations looking to thrive in the digital age.

Objectives
1. **To analyse the impact of digitization on HR practices.**
2. **To explore challenges strategies to enhance digitization of HR functions.**

2.0 Literature Review

Rana, D. T. 2019) in discusses the significant impact of digitization on human resource management (HRM). This paper addresses the transformative influence of digital technologies on traditional business models, with a particular focus on HRM. It delves into the various digital tools, such as employee-related software, IT-enabled HR functions, social networks, and mobile solutions, and their increasing use in HR processes. The author highlights how organizations are progressively integrating digital approaches into their HR practices, recognizing the need for continuous development and innovation in HR to stay competitive in the rapidly evolving business environment. Recent studies indicate a shift towards digitally enabled, employee-centric HR practices as organizations strive to deliver optimal results and navigate a highly competitive market. One of the central themes explored in the**Volume 22, Issue 02, December 2023**
 paper is the shift from traditional HRM to Electronic Human Resource Management (E-HRM). E-HRM is defined as an integrated, organization-wide electronic network of HR information, services, devices, applications, and exchanges. This transformation reflects the ongoing technological advancements in the field of HR, gradually replacing conventional HRM with more technically advanced practices.

(Bleicher, J., & Stanley, H. 2017) investigates how digitization might lead to innovative company models and financial success. The authors contend that the adoption of digitization and cutting-edge digital strategies can be a critical component in an organization's survival and success in the quickly changing business environment of today. They stress the necessity of having the right tools to recognise and capitalise on digital value drivers so that decision-makers can convert these

drivers into long-term, profitable success. The study presents an integrated framework that makes use of pre-existing ideas and tactics to meet this need. This framework integrates the Blue Ocean Strategy by Kim and Mauborgne, the IT-facilitated value creation patterns by Parmar et al., and the Business Model Canvas by Osterwalder and Pigneur. The authors hope to illustrate the strategic significance of digital innovation drivers by applying this paradigm to three particular situations. The research findings indicate that the proposed three-step strategy can potentially serve as a decision-making framework for organisations attempting to navigate the benefits and problems associated with digitization.

(Kohnke. O. 2017) emphasizes the critical importance of recognizing that digitization goes beyond technological advancements; it profoundly impacts the people and culture within organizations. The process of digitization has become all-encompassing, affecting virtually every aspect of modern organizations and placing significant pressure on them to adapt and evolve. Leaders must have a deep understanding of the implications of digitization, not just on processes and systems, but also on the individuals within the organization. Digitization, as Kohnke highlights, not only changes the methods of operation but also accelerates the pace at which organizations must change. This acceleration results in three major requirements that organizations must address to succeed in the digital era.

3.0 Research Methodology
This study employs a descriptive quantitative research design, utilizing a survey method to collect data. The objective is to understand and analyze the perspectives and practices related to HR in companies. The survey consist of five questions, and a total of 100 HR professionals from various companies will be selected as respondents. The target population for this research comprises HR professionals working in different companies. A stratified random sampling technique was used to ensure representation from various industries and company sizes.

4.0 Data Analysis

Question 1: On a scale from 1 to 5, please rate the extent to which your company has digitized HR processes, with 1 being "Not at all digitized" and 5 being "Fully digitized."
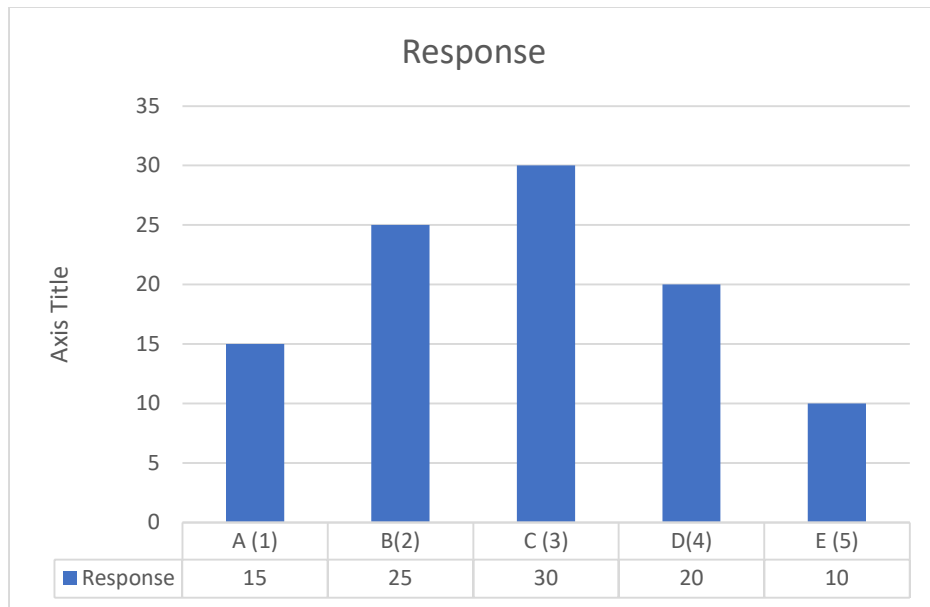
Fig. 1 Digitized HR processes

The findings show that most organizations are in the process of digitizing their HR practices, with 30% moderately digitized, while 25% are minimally digitized. A smaller proportion, 10%, is fully digitized. However, 15% have not begun the digitization process.
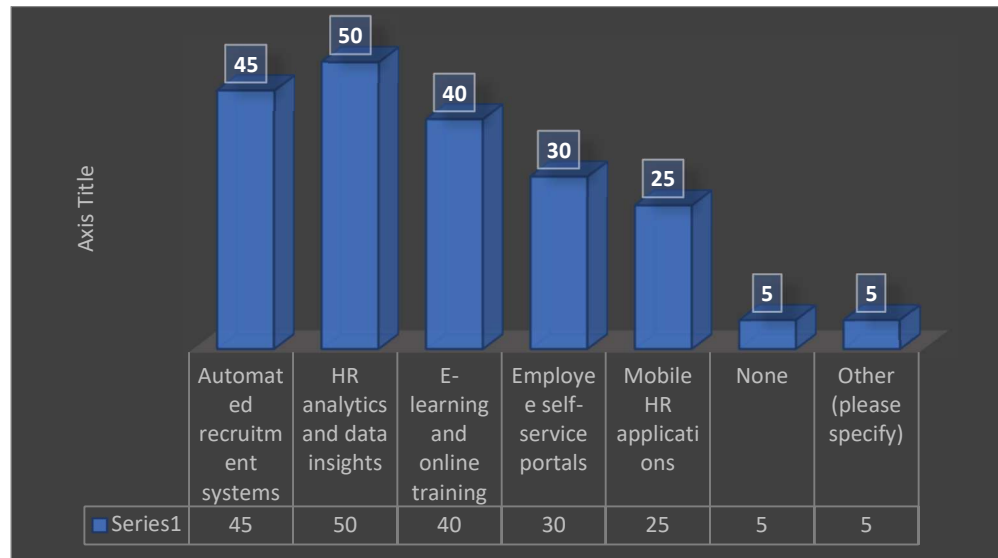
Question 2: Please select the main challenge your company encounters in implementing digital HR practices.
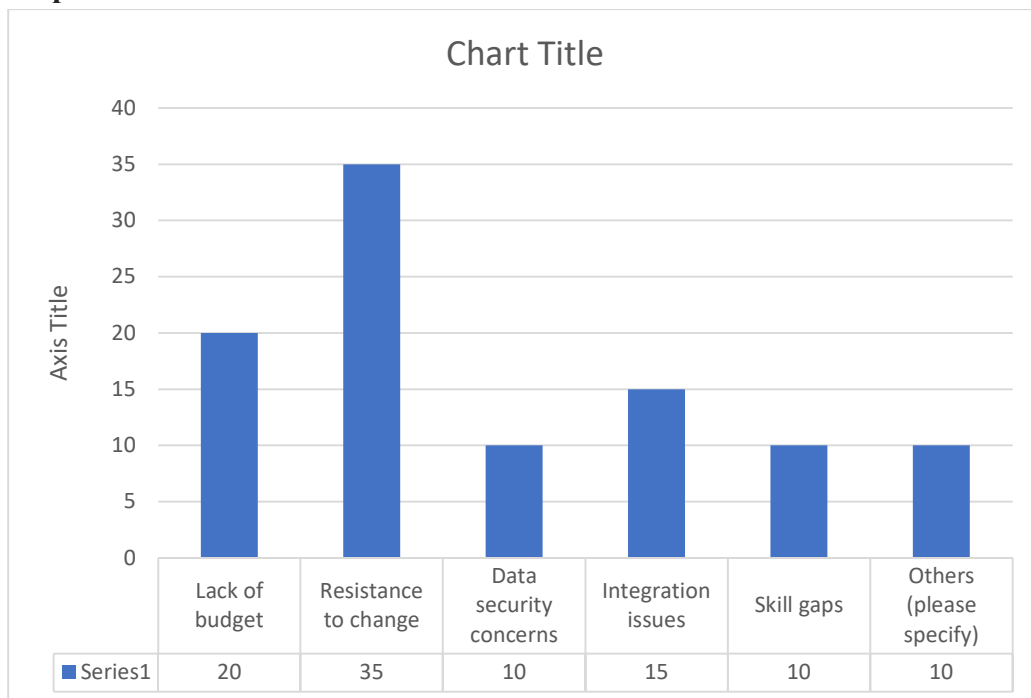
Fig 2. Challenges in HR

The most significant challenge faced by organizations in implementing digital HR practices is resistance to change, cited by 35% of respondents. Budget constraints are another notable challenge, reported by 20% of respondents. Other challenges include data security concerns, integration issues, and skill gaps, each mentioned by 10-15% of respondents.

Question 3: Which digital strategies is your company using to enhance HR functions?

	Automated recruitment systems	HR analytics and data insights	E-learning and online training	Employee self-service portals	Mobile HR applications	None	Other (please specify)
■ Series1	45	50	40	30	25	5	5

Fig 3. Digital strategies

HR analytics and data insights are the most commonly employed digital strategy, used by 50% of respondents, followed by automated recruitment systems at 45%. E-learning and online training (40%), employee self-service portals (30%), and mobile HR applications (25%) are also frequently utilized. However, 5% of respondents reported not using any digital strategies in HR.

Question 4: To what extent do you agree with the statement: "Digital transformation is essential for HR success"?
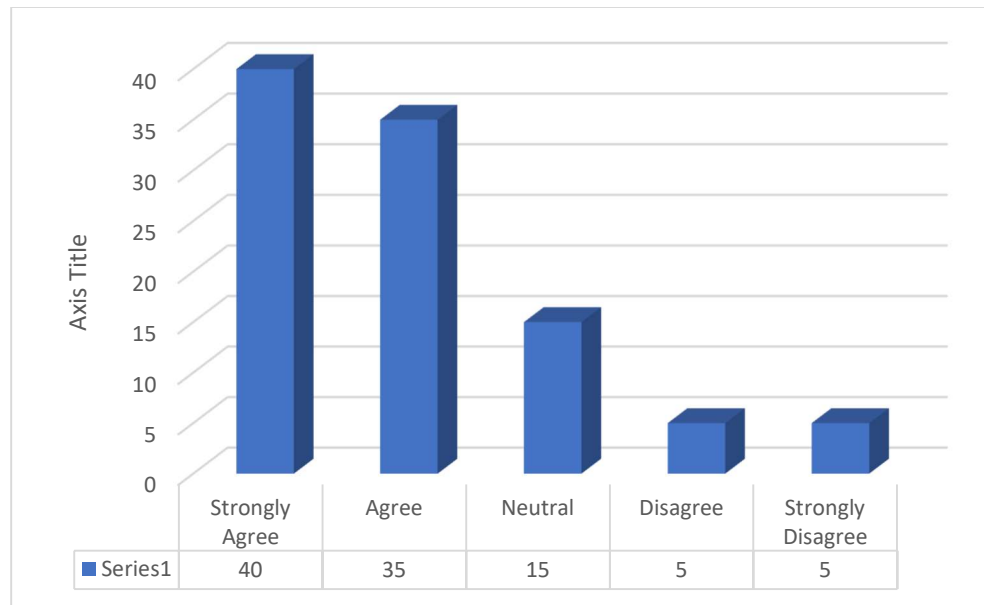
Fig 4. Digital Transformation

The majority of HR professionals strongly believe (40%) or agree (35%) that digital transformation is essential for HR success. Only 10% disagreed to some extent with this statement, suggesting that there is a strong consensus on the importance of digital transformation in HR.

Question 5: How well-prepared do you feel in terms of digital skills and competencies required for HR in the digital age?
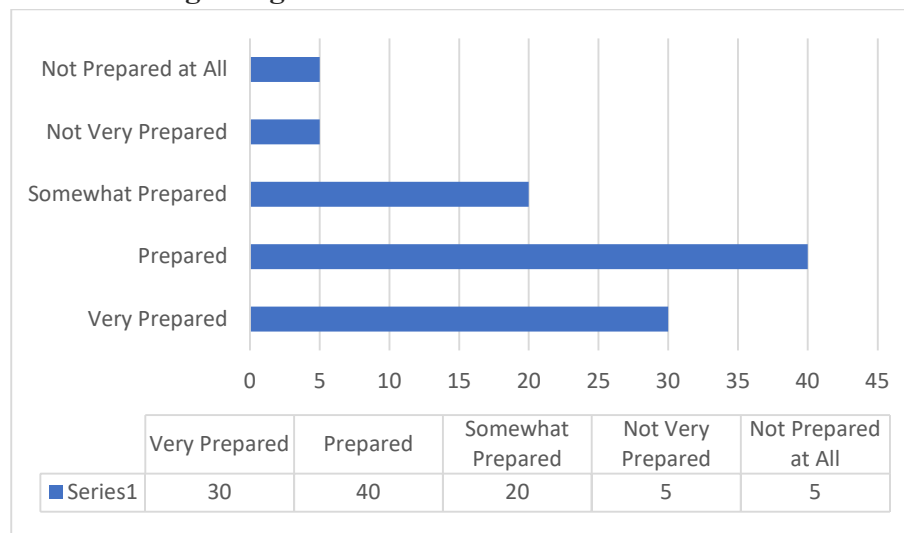
Fig 5. Digital skills and competencies required for HR in the digital age

A significant proportion of HR professionals feel well-prepared in terms of digital skills and competencies, with 70% indicating they are very prepared (30%) or prepared (40%). However, 20% feel somewhat prepared, and 10% are not very prepared (5%) or not prepared at all (5%).

5.0 Conclusion

The findings from this survey of 100 HR professionals provide valuable insights into the state of digital transformation within HR practices. First and foremost, it is evident that organizations are actively pursuing digital transformation in HR. A significant portion of respondents reported their organizations as moderately digitized, and many are in the process of digitizing their HR processes. This indicates a recognition of the potential benefits of digitization in enhancing HR efficiency, decision-making, and employee experiences. However, a noteworthy percentage of respondents mentioned that their organizations are either minimally digitized or not digitized at all, highlighting that there is still room for growth and improvement in digitalizing HR functions. Resistance to change emerged as the most significant challenge in implementing digital HR practices, underlining the importance of change management strategies. Budget constraints also posed a considerable challenge, emphasizing the need for organizations to allocate adequate financial resources for their digital HR initiatives. Other challenges, such as data security concerns, integration issues, and skill gaps, reinforced the complex nature of digital transformation in HR. Organizations must address these challenges holistically, considering not only technological aspects but also the human and financial factors involved.

The diversity of digital strategies employed in HR showcases a comprehensive approach to enhancing HR functions. The high utilization of HR analytics and data insights signifies a commitment to data-driven decision-making. Automated recruitment systems are prevalent, reflecting the importance of automation in talent acquisition. E-learning, employee self-service portals, and mobile HR applications are also widely used. The resounding consensus among HR professionals on the importance of digital transformation for HR success is a noteworthy finding. It underscores that organizations recognize the indispensable role that digital transformation plays in shaping the future of HR. Even though a minority holds different views, the prevailing belief is that digital transformation is crucial for organizations to remain competitive, innovative, and responsive to changing employee expectations. The survey also revealed a significant proportion of HR professionals who feel well-prepared in terms of digital skills and competencies. This reflects that many organizations have taken proactive steps to upskill their HR workforce.

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