Human Resource Development in Digital Era - A Big Shift

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Abstract

Global economy is at impeccable growth, connectivity and technological waves are creating a big shift in the way business operates. Common walks of life has undergone a paradigm shift whether travel, education, banking transactions, laundry, manufacturing industry or services, everywhere system witnessing a silent revolution and growing at an accelerated change. These changes are creating a new rule for business and for Human Resources, which radically shifting the context for workspace, workforce, people practices and world of work. These changes are not only in terms of technology but it encompasses demographics and society at large. Business and HR leaders need to embrace a new thinking about their companies, their talent and their role in global-social issues. Above challenges or change has forced the HR department to rewrite the rules to match the ever-changing landscape. These rules will act as a guideline for HR in the area of leading, organizing, motivating and managing the modern workforce in the digital era or 21st century. Therefore this study is conceptualized to map the changes in workforce, organization and its impact on the society. Another purpose of this study is to keep track of human capital trends at the global level.

Objectives of the Study

♦ To study the trends in Human capital in 21st Century.

♦ To analyze the employee's changing Mindset, workplace and its impact

♦ To analyze the changing Organization structure and leadership

♦ To suggest Management system or processes

♦ To suggest suitable Organization culture and employee engagement in digital era

♦ To analyze the impact of Digital Platform and HR Analytics

Review of Literature

While a broader discussion and categorization of digital changes of HRM is missing at present, reviewing the literature yields three focal areas that might be briefly labelled as "digital employees", "digital work" and "digital employee management".

As a first major area, the concept of "digital employees" figuratively refers to assumed larger changes in the core subject matter of the HR profession: labelled with various terms such as "digital natives" (e.g. Prensky, 2001), "millennials" (e.g. Deal et al., 2010) or "net generation" (e.g. Tapscott, 2008), it is assumed that the early, intimate and enduring interaction with digital technologies has shaped a new generation of people with distinctively different attitudes, qualifications, behaviours and expectations. Early literature on the phenomenon suggests that, based on the enduring interaction with digital technologies, this new cohort of people is generally characterized by marked digital qualifications, multitasking capabilities (in particular fast and parallel information processing), affinity for networking, learning by doing and preference of

instant gratifications and frequent rewards (Prensky, 2001). Given this, literature is additionally concerned that these differences will aggravate or even prevent mutual cooperation and understanding between generations (e.g. Lancaster and Stillman, 2002).

It is obvious that HRM should react to such changes and align its strategies and activities to this new labour market cohort, and search for adequate ways to recruit, develop, compensate, etc. such "digital employees" and moreover to integrate them with previous generations of employees. Yet, ongoing research on the topic could expose such assumptions as oversimplifications and overgeneralizations. The generation of younger employees grown up in a digital environment is both considerably more complex and considerably more heterogeneous, while there are, however, obvious differences that have to be considered (e.g. Bennett et al., 2008; Helsper and Eynon, 2010). The challenge for HRM therefore is to identify actual digitally induced changes in attitudes, qualifications, behaviours and expectation of younger employees, while yet avoiding any stereotyping and considering heterogeneity of actual changes. Based on this, the strategic and operative adaptation of HRM to a changing workforce constitutes a step necessary to support organizations further on. In this way, "digital employees" constitute a first notable area of digital changes and challenges of the HR profession (e.g. D'Netto and Ahmed, 2012; and the contributions in Ng et al., 2012).

A second major area might be called "digital work", referring to the content as to the organization of work. Relating to work content the ongoing digitalisation implies an increasing automation of manual and routine work, and a slow but steady change of remaining tasks towards "brain and information work". Given that, all information today is either digital, has been digital, or could be digital" (Bawden, 2008, p. 19), information work of employees more and more depends on digital tools and media. In consequence, qualification demands placed on employees have continuously changed, and in particular "digital literacy" - understood as a broader set of technical as well as mental skills to systematically acquire, process, produce and use information (e.g. Bawden, 2008; Nawaz and Kundi, 2010) - turns out a crucial key qualification for more and more employees. In order to enable both individual employees as entire organizations to keep up with the digital change, HRM has thus to systematically prepare, accompany and often also cushion this enduring change of work content and corresponding qualification demands in its multifarious facets. Moreover, beyond work content in particular work organization is affected by digitalization. Digital technologies have enabled new forms of organizing work that range from single virtual workplaces, to virtual groups, teams or communities, and even to virtual organizations (e.g. Powell et al., 2004; Hertel et al., 2005). While there are diverse varieties of organizing work digitally, the overarching principle is to support and connect task performing humans by means of digital information and communication technologies, and to organize work across the borders of geography, organization and time in any desired way. As a consequence, members of such virtual units are often remote and unknown. Managing such members clearly differs from managing conventional employees in a lot of aspects such as leadership, performance feedback or development, while still a lot of practical aspects are not sufficiently tackled (Hertel et al., 2005).

How drastically digital forms of work organization changes HRM may be best illustrated based on e-lancing (Aguinis and Lawal, 2013). E-lancing organizes work via web-based marketplaces where organizations offer certain tasks to be performed by interested persons, which yet are freelancing. This uncovers that e-lancing replaces conventional employees, and therewith deeply changes and sometimes even questions "classic" HR functions such as recruiting or development (cf. the discussion in Aguinis and Lawal, 2013). The basic challenge for e-HRM thus lies in recognizing the requirements that such digital forms of work organization pose on managing employees as well as further categories of contributors. In this way, the ongoing digitalization

of work content and organization constitutes a major change that visibly poses multiple new requirements on the HR profession.

A third and final area of digital change might be labelled "digital employee management" and refers to the planning, implementation and in particular application of digital technologies to support and network the HR profession, a phenomenon also known as electronic HRM (e.g. Bondarouk and Ruël, 2009; Strohmeier, 2007). In the interim, not only administrative HR functions such as pay roll processing, attendance management or record keeping, but also managerial HR functions such as compensation, performance management or development are "digitally" supported and enabled, and thereby often deeply changed (e.g. Strohmeier, 2007). Moreover, digitalization has also affected HR organization, by establishing new actor categories, as for instance employees incorporated via digital self-service, and by establishing new kinds of cooperation subsumed as "virtual HR" (e.g. Lepak and Snell, 1998). In consequence, HR qualifications also show a clear shift to incorporating technical implementation and application skills (e.g. Hempel, 2004). This ongoing digitalization of HRM is basically assumed to offer large opportunities for the discipline. In particular, it is hoped to improve operational aspects, such as costs, speed and quality of HR processes, relational aspects, such as corporation and trust among HR stakeholders, and also transformational aspects, such as the strategic orientation, organisation and standing of the HR function (e.g. Parry, 2011; Strohmeier, 2009). However, e-HRM research also uncovers that desired results and actual outcomes not necessarily coincide (e.g. Parry and Tyson, 2011; Strohmeier, 2009). Known downsides of digitalization are for instance: lack of user acceptance, threats to privacy, contribution to the "digital divide", loss of personal contacts, downsizing the HR-department or burdening HR professionals with technical implementation, administration and application tasks, among others. Against this background, a basic challenge of the HR

profession is to identify, develop and utilized the positive potentials of digitalization, while avoiding or at least reducing the accompanying downsides. Though rather silently, the digitalization of HRM therewith even constitutes one of the major changes of the discipline throughout the last decades that ambivalently confronts HRM with both new opportunities and new risks.

From the above literature, it is quite evident that most of the studies are concentrated on impact of technology on HR and business, but in reality, beyond technology the workforce mindset and society at large has changed that creating a major impact on the business and HR practices. Hence this study formulated to map the trends that are affecting the Businesses and HR encompassing the areas of Organization structure and leadership, management system, employee engagement and organization culture, learning organization, digital platforms and HR analytics etc.

Research Design

The world has undergone far reaching cultural, societal and economical changes based on the increasing dominance of digital technologies. In sum, these changes have led to the current period being characterized as the "digital age". In line with these changes, digital technologies play an increasingly prominent role in both the lives of employees and human resource management (HRM), which seems to be affected in multiple ways. In addition to the above, due to the technological changes employee mindset, style of business operations, systems, business model and overall society scaled to a different height. Considering the above parameters in mind this study formulated to study the trends in Human capital management. For studying the same, following variables or areas have been considered to analyze.

1. Organization structure and leadership

2. Management system or processes

3. Organization culture and employee engagement

4. Learning Organization

5. Digital Platform

6. Cognitive technologies - HR Analytics and Artificial Intelligence.

Analysis of Data

1. Organization structure and leadership

Given the pace of change and the constant pressure to adapt, it is not surprising that executives identified building the organization of the future as the most important challenge for 2017. This level of interest signals a shift from designing the new organization to actively building organizational ecosystems and networks. Agility plays a central role in the organization of the future, as companies race to replace structural hierarchies with networks of teams empowered to take action.

As companies transform and digital organizational models emerge, leadership needs change as well. Organizations are clamoring for more agile, diverse, and younger leaders, as well as new leadership models that capture the "digital way" to run businesses. While the leadership development industry continues to struggle, companies are pushing the boundaries of their traditional leadership hierarchies, empowering a new breed of leaders who can thrive in a rapidly changing network.

2. Management system or processes

For the last five years, companies have been experimenting with new performance management approaches that emphasize continuous feedback and coaching, reducing the focus on appraisal. This year, companies are moving beyond experimentation to deploy new models on a wide scale. Even though HR technology tools have not quite caught up, new approaches to performance management are working, and they are increasing productivity and changing corporate culture. Fairness, equity, and inclusion are now CEO-level issues around the world. Executives can no longer abdicate diversity strategies to the CHRO or chief diversity officer. A new focus on accountability, data, transparency, and "diversity through process" is driving efforts around unconscious bias training and education throughout the business community. Despite these efforts, however, we see a reality gap. Issues around diversity and inclusion continue to be frustrating and challenging for many organizations.

3. Organization culture and employee engagement

Culture and engagement are vital parts of the employee experience, and leading organizations are broadening their focus to include a person's first contact with a potential employer through retirement and beyond. Today, companies are looking at employee journeys, studying the needs of their workforce, and using net promoter scores to understand the employee experience. Workplace redesign, well-being, and work productivity systems are all becoming part of the mandate for HR.

4. Learning Organization

The concept of a "career" is being shaken to its core, driving companies toward "always-on" learning experiences that allow employees to build skills quickly, easily, and on their own terms. At leading companies, HR organizations are helping employees grow and thrive as they adopt the radical concept of a career described in The 100-Year Life. New learning models both challenge the idea of a static career and reflect the declining half-life of skills critical to the 21st-century organization.

5. Digital Platform

As the enterprise as a whole becomes digital, HR must become a leader in the digital organization. This means going beyond digitizing HR platforms to developing digital workplaces and digital workforces, and to deploying technology that changes how people work and the way they relate to each other at work. Fortunately, the path to digital HR is becoming clearer, with expanded options, new platforms, and a wide variety of tools to build the 21st-century digital organization, workforce, and workplace.

Robotics, AI, sensors, and cognitive computing have gone mainstream, along with the open talent

economy. Companies can no longer consider their workforce to be only the employees on their balance sheet, but must include freelancers, "gig economy" workers, and crowds. These on- and off-balance-sheet workers are being augmented with machines and software. Together, these trends will result in the redesign of almost every job, as well as a new way of thinking about workforce planning and the nature of work. Change is already taking place.

6. Cognitive technologies - HR Analytics and Artificial Intelligence.

As jobs and skills change, finding and recruiting the right people become more important than ever. Talent acquisition highlights how leading organizations use social networking, analytics, and cognitive tools to find people in new ways, attract them through a global brand, and determine who will best fit the job, team, and company. A new breed of cognitive technologies is radically transforming recruiting, which stands at the early stages of a revolution.

Data about people at work has become more important than ever, but the focus of people analytics has changed. Formerly a technical discipline owned by data specialists, people analytics is now a business discipline, supporting everything from operations and management to talent acquisition and financial performance. Readiness to capitalize on people analytics remains a challenge.

Findings and Suggestions

♦ Connectivity and technological waves are creating a big shift in the way business operates.

♦ Business and HR leaders need to embrace a new thinking about their companies, their talent and their role in global-social issues.

♦ Agility plays a central role in the organization of the future, as companies race to re-place structural hierarchies with networks of teams empowered to take action.

Human Capital Model for Digital era

Organization structure and leadership

Virtual Teams with Decentralized structure

Cognitive technologies - HR Analytics and Artificial Intelligence

Management system or processes	Organization culture and employee engagement	Learning Organization

Digital Platform

♦ Organizations are clamoring for more agile, diverse, and younger leaders, as well as new leadership models that capture the "digital way" to run businesses.

♦ Companies have been experimenting with new performance management approaches that emphasize continuous feedback and coaching, reducing the focus on appraisal.

♦ A new focus on accountability, data, transparency, and "diversity through process" is driving efforts around unconscious bias training and education throughout the business community.

♦ Companies are looking at employee journeys, studying the needs of their workforce, and using net promoter scores to understand the employee experience. Workplace redesign, well-being, and work productivity systems are all becoming part of the mandate for HR.

♦ The concept of a "career" is being shaken to its core, driving companies toward "always-on" learning experiences that allow employees to build skills quickly, easily, and on their own terms.

♦ Digitizing HR platforms to developing digital workplaces and digital workforces, and to deploying technology that changes how people work and the way they relate to each other at work.

♦ Talent acquisition highlights how leading organizations use social networking, analytics, and cognitive tools to find people in new ways, attract them through a global brand, and determine who will best fit the job, team, and company.

♦ Data about people at work has become more important than ever, but the focus of people analytics has changed. Formerly a technical discipline owned by data specialists, people analytics is now a business discipline, supporting everything from operations and management to talent acquisition and financial performance.

Conclusion

Humans are marvelously adaptable. We have every confidence that even in these days of rapid change, leaders and workers will adapt, as they have in the past. The question is: Will organizations ride this wave or watch it crash over themselves?

The opportunity for leading organizations is not only to use these trends to guide business success, but to help pull society toward the crest of the technological wave-an important consideration when business is increasingly invited to play a social as well as an economic role.

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