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Key to Successful Digitalisation of Human Resource Management



1. Digitalisation of businesses during the COVID-19 pandemic

The crisis posed by the COVID-19 pandemic has quickened the rapid digitalisation of the working environment. Decision-making via web conferences becomes a norm, and communications within and outside the organisation have switched from using print documents to digital platforms. Now, the word 'HR tech' is frequently used, as more companies embrace the digitalisation of human resource management.

2. Benefits of digitalising human resource management

How does the digitalisation of human resource management benefit the company?

Improving the efficiencies in the performance management process

There will no longer be a need for analog management of individual performance. The performance management system will reduce time-consuming paperwork for middle management significantly as they no longer need to print, fill out, sign, tally, and submit evaluation sheets to the HR department at the time of evaluation.

Optimising human resource allocation

Digitalising the talent management process allows employers to manage their human resources effectively by using the data available such as the employees' skills, experiences, and updates on personal development. It also helps the company to search for the right talents who meet the requirements, as well as simulate the labour costs for the projected sales. Besides sourcing excellent personnel, it also facilitates staffing and work assignments.

Improving efficiencies of employee development through e-learning

The digitalisation of human resource management provides opportunities for the employees to upskill or reskill themselves by taking web courses. It also helps the company to create online training that introduces rules and policies to a newcomer. For example, the company can conduct regular compliance training and other training on technical skills whenever and wherever they want. This also allows HR to manage the employees' learning progress through tests or assignments.

Retaining staff

The wellness tool can help to visualise the health status of employees, and the people analytics tool can help to visualise signs of resignation. The results from the motivation surveys, interview records, daily reports, and attendance records can be analysed using AI, and it will alert the manager if there is anything noteworthy about the individual employees. This will surely benefit both the HR manager and the site manager. The top management can also benefit from this tool as it helps in visualising the organisation's manpower.

However, few key points should be kept in mind when promoting the digitalisation of human resource management.

3. Digitalisation should not change the core values of the company

First, when companies promote digitalisation of human resource management, they should clarify its unchanging core values and how digitalisation is aligned with these values.

We have conducted an employee interview and asked why they worked for the company. Many of them mentioned that they are proud of their company's purpose and founding story. When we asked an executive - who worked in another company until his retirement – why he had stayed with the same company for 20 years, he said that the company's CSV philosophy resonated with his value. Employees desire to be part of a trustworthy organisation that maintains its unchanging core values because they believe that through this, the whole management will share the same standards of judgement.

A company with clear values has no hesitation. The engagement level of the employees who share the same value is high. High employee engagement leads to sustainable business results. There is a popular phrase by Tom Collins in his book titled "Visionary Company". In this book, he mentioned that "a manager does not tell time but makes the



clock". The point is that the role of management is to create standards of value for organisational decision-making. In other words, it is surely important for the management to say, do and think consistently, as well as, to continue visualising the mechanism for it.

Questions that the top management needs to ask themselves: Are we appointing the right people who resonate with the company's values as part of the management team? Does your company's central management team resonate with your values? Is the management within the headquarters constantly sharing information, so that those who work in overseas subsidiaries can share the same values?

We should use digital technology to help in identifying the right people to bring into the management; conducting peer reviews to encourage middle management in the realisation of the core values; conducting regular surveys to observe the implementation of the values; and organising e-learning to promote the company's values to the employees. This will ensure that the talents who form the management team for the business are effectively aligned with the values, and that our values are not just a slogan - but it will guide our day-to-day business operations.



4. Digitalisation should help in planning for the future of the workforce

The next important point: digitalisation of human resource management should be handled skillfully, with a perspective toward the future of the organisation.

The story of "GE Stopping Nine Grit" is well known. GE had doubts about shortlisting talents who were performing well in their current business when they were trying to shift the core of the business. At the same time, other well-known companies

such as Microsoft and IBM abolished ratings for individual performance management and began to emphasise synchronising the career development of individual employees with the improvement of company performance through conversation. It is hard to predict the future of the business. That is why they want to introduce a structure where each employee can independently synchronise their career development and contribution to the business' objective, and this can foster talents

who can plan and develop new businesses. They believe that abolishing the individual performance rating will encourage employees to creatively engage themselves in planning for the future of the workforce.

While the future can be quite uncertain, the organisation must draw a future workforce plan that determines when and how many employees with what kinds of abilities, skills, and know-how are needed.

Though the future workforce strategy is planned based on hypothesis, it should have a clear vision for the future's organisational structure, core positions, and the type of talents needed to fill in the roles available. A future workforce plan can concretely visualise the various factors that are critical to

identifying the people who are "on the same boat" with the company's future. Though digital tools have made employees' abilities and skills more visible, ultimately, it is the management who hand-picks the talent to "get on the same boat". It would be great if we could hire people who are great at everything from the beginning, but this is just an ideal situation. Usually, you have to hire people with one great ability that fits into your company's future workforce plan. Therefore, the company needs to make known the skills and the number of employees needed. In this way, the company can have faith in hiring and placing the right talent at the right place. Companies should make judgements with a sense of purpose in mind, rather than simply appointing talents who are recommended by AI.



5. Conclusion

As part of the digitalisation of business processes, more companies are implementing the RPA (Robotic Process Automation). However, there are cases where RPA has processed unnecessary information without preliminary verification by the staff, whether the automation of that particular work is necessary. We must not commit to the same folly when

using any digital technology in human resource management. We hope that you will have a clear sense of purpose to envision the achievement of human resource management within your company through introducing digital technology where necessary in promoting the future business.



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