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Digitalization of Human Resource Management Practice and Its Impact on Employee Well being

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## Abstract

By embracing digital tools and platforms, HRM practices encompassing recruitment, onboarding, performance management, and training have undergone a metamorphosis, rendering them more efficacious and seamlessly interconnected. Consequently, this has engendered a diminution in administrative burdens while concurrently amplifying the productivity of HR professionals, affording them the luxury of directing their efforts towards strategic endeavours of paramount importance. Such changes hold the potential to elevate the equilibrium between work and personal life, bolster job satisfaction, and fortify overall well-being. Employees now possess an augmented level of authority over their schedules, thereby curtailing arduous commuting endeavours and fostering a more harmonious integration of personal and professional obligations. However, it is incumbent upon us to acknowledge and anticipate the potential stumbling blocks that might materialize alongside the digitalization of HRM. One such challenge lies in the ambiguity that arises as the boundaries between work and personal life begin to blur due to the ceaseless connectivity facilitated by digital platforms.

This incessant connection, albeit advantageous, can inadvertently engender escalated levels of stress and burnout among employees. Routine feedback sessions, comprehensive training modules, and multifarious development opportunities can all serve as indispensable tools to empower employees and facilitate seamless adaptation to the evolving digital landscape within their respective roles.

**Keywords:** Digital Platforms, Tools to Empower Employees, Performance Management and Training.

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## Introduction

Bondarouk & Ruël, (2009) era of rapid digital advancement, enterprises are embracing technological progressions and revolutionizing their operations to maintain competitiveness. Among these transformative changes is the digitalization of practices pertaining to human resource management. The digitalization of human resource management practices involves the utilization of diverse technologies to streamline and enhance HR processes. These technological advancements have revolutionized the operations of HR departments and significantly influenced

## Digitalization of Human Resource Management Practice and Its Impact on Employee Well being

the experiences of employees within organizations. Mundane HR tasks like payroll processing, attendance tracking, and benefits management can now be automated, alleviating the burden on HR professionals and enabling them to concentrate on more strategic initiatives. The sphere of performance management has also experienced significant impact from digitalization.

According to Armstrong and Taylor (2020) annual performance appraisals are being replaced by continuous feedback mechanisms facilitated by digital tools. This shift toward continuous performance management fosters a culture of transparent communication and personal development, thereby leading to heightened employee engagement and well-being. This increased accessibility to resources for professional growth contributes to employee well-being by promoting a sense of progress and career advancement. The constantly connected nature of digital technologies can lead to amplified work-related stress and a blurred boundary between work and personal life. Figure 1 shows the impact of Digitalization of Human Resource Management Practice on Employee Wellbeing.



**Figure 1 Impact of Digitalization of Human Resource Management Practice on Employee Wellbeing**

### Literature Review

According to Shen and Jiu-hua Zhu (2011), digitalization of human resource management practice entails integrating advanced technologies into the various facets of employee management within an organization, with the primary objective of enhancing their overall well-being. Online job portals, applicant tracking systems, and AI-powered algorithms have empowered HR professionals to attract a broader spectrum of talent and identify the most suitable candidates for available positions. Social media platforms, internal collaboration tools, and mobile applications have facilitated real-time communication and seamless information sharing across various departments and hierarchical levels. Human resources departments have historically grappled with a deluge of paper forms for various purposes, such as benefit claims,

## Digitalization of Human Resource Management Practice and Its Impact on Employee Well being

leave applications, and miscellaneous requests. Managing these archaic processes demands substantial effort in terms of tracking and organizing, not to mention the considerable amount of time dedicated to processing them. The digitalization of HR management practices ushers in myriad advantages that directly impact the well-being of employees.

According to Duggan, Sherman, Carbery, and McDonnell (2020), it eradicates the necessity for physical paperwork, thereby reducing clutter and liberating valuable office space. Instead of sifting through stacks of documents, employees can effortlessly access and submit the requisite forms electronically, saving time and minimizing exasperation. This streamlined process fosters an organized and productive work environment, empowering HR professionals to devote their attention to more strategic endeavours that contribute to employee contentment. Furthermore, the digitalization of HR processes enables swifter and more precise data management. Information can be readily stored, updated, and retrieved from digital databases, eliminating the risk of misplaced or obsolete documents. This fortifies data security and confidentiality, which is of paramount importance in upholding employee trust.

According to Tambe, Cappelli, and Yakubovich (2019), digital platforms can facilitate seamless communication between HR personnel and employees, guaranteeing prompt responses to inquiries and concerns. The accessibility and transparency afforded by digital HR systems nurture a sense of trust, engagement, and empowerment among employees, thereby positively impacting their overall well-being. Digital HR systems also enable the automation of routine tasks, alleviating the administrative burden on HR professionals. Processes such as leave approvals, performance evaluations, and employee onboarding can be streamlined through automated workflows and self-service portals. By obviating superfluous delays and simplifying procedures, digitalization contributes to a more efficient and employee-centric HR management practice.

Orben & Przybylski, (2019), digital HR solutions proffer valuable insights through analytics and reporting functionalities. By harnessing data, HR professionals can attain a more profound comprehension of employee trends, needs, and preferences. From personalized training opportunities to wellness initiatives, digital HR platforms can prove instrumental in cultivating a supportive work environment that values the holistic well-being of its employees. With the advent of mobile apps, employees now possess the authority to instantaneously access pertinent information without the necessity of engaging HR representatives. This newfound convenience not only saves precious time but also endows individuals with the power to assume control over their own HR-related tasks, nurturing a profound sense of autonomy and self-reliance.

Newman, Thanacoody, & Hui, (2011), the influence of digitalization extends far beyond mere information access. The integration of intelligent applications into HR practices has paved the way for significant advancements in employee well-being. By meticulously tracking billable hours and comparing them to their colleagues, this innovative system generates invaluable data and

Akhilesh Sharma

## Digitalization of Human Resource Management Practice and Its Impact on Employee Well being

offers tailored suggestions to enhance inefficient working styles. Another remarkable application centres around monitoring employee well-being through the analysis of vocal patterns. By harnessing the capabilities of artificial intelligence, this app can discern signs of distress and emotional strain embedded within an employee's voice. Acknowledging the significance of mental health, the system proactively urges individuals to embark upon self-care and seek requisite support.

By timely providing interventions and personalized recommendations, this app ensures that the well-being of employees remains an utmost priority within the organizational framework. By endowing employees with greater autonomy and furnishing them with user-friendly tools, organizations are fostering a culture brimming with empowerment and operational efficiency. This shift towards self-service not only streamlines HR processes but also cultivates employee engagement and contentment. As organizations relentlessly embrace digital technologies, it becomes increasingly imperative to strike a harmonious balance between automation and human touch. While digitalization brings forth undeniable benefits, it is of paramount importance to uphold a supportive and empathetic work environment.

Organizations must prioritize the well-being of their employees by offering a holistic approach that seamlessly melds digital tools with human interactions, ensuring that individuals feel profoundly valued and supported throughout their professional odyssey. By infusing game dynamics into traditional non-game contexts, companies can effectively enhance employee engagement and motivation.

Stone, Deadrick, Lukaszewski, & Johnson, (2015), organizations have embarked on initiatives that incorporate reward systems, wherein employees receive commendation and incentives for accomplishing key performance indicators (KPIs). This not only acknowledges their achievements but also fosters a sense of ambition to strive for excellence within their professional endeavors. Moreover, during arduous circumstances, employees are acknowledged for their adept problem-solving skills and unwavering resilience. By recognizing and appreciating their exertions amidst such challenging scenarios, companies cultivate a supportive work environment that genuinely values the contributions made by their employees.

By lauding exceptional colleagues, positive interactions and cohesive teamwork are further stimulated, ultimately culminating in an enhancement of overall performance. To nurture a healthy sense of competition and foster collaboration, corporations can leverage real-time leaderboards. By openly showcasing the accomplishments and progress of individual employees, a friendly rivalry ensues, motivating individuals to interact and continuously refine their performance. This gamified approach to work culture engenders a communal spirit, as employees strive to outperform their peers and accomplish personal as well as collective objectives. In addition, the digital revolution has paved the way for inventive employee benefit programs.

Akhilesh Sharma

## Digitalization of Human Resource Management Practice and Its Impact on Employee Well being

Camelo-Ordaz, Garcia-Cruz, Sousa-Ginel, and Valle-Cabrera (2011), companies like Astro have spearheaded the implementation of distinctive reward systems, wherein employees accrue points for maintaining minimal sick leave. These points can subsequently be redeemed for gadgets or even travel expenses. Such initiatives not only promote a healthier work environment but also furnish tangible incentives to employees for maintaining their well-being and sound health. Ranging from streamlined communication channels to flexible work arrangements, digital tools have facilitated a superior work-life balance and augmented job satisfaction. Employees now have the convenience of accessing crucial information and resources, granting them increased autonomy and empowerment. This steadfast commitment to continuous learning not only benefits employees personally but also contributes to their overall job satisfaction and level of engagement. Merely relying on assumptions and industry benchmarks may fall short in accurately capturing the true needs and expectations of the workforce. Navigating the realm of employee behavior within a digitalized HR management system poses a distinctive challenge due to its qualitative nature. This understanding, derived from the power of people analytics, empowers companies to make informed decisions aimed at enhancing employee satisfaction and productivity.

According to Ahmad (2015), consider a scenario where a manufacturing company frequently encounters medical claims related to respiratory issues among its employees.

This pattern of ailments could serve as an indication of potential exposure to airborne particles within the workplace environment. By leveraging digital HR management practices, the company can adopt a data-driven approach to tackle this concern.

According to Martocchio (2011), they can implement a comprehensive wellness program that includes the provision of appropriate face masks, thereby mitigating the risk of such medical conditions. Digital platforms can streamline the distribution and monitoring of these resources, ensuring that employees receive the necessary protection. The impact of digitalization on employee well-being extends beyond the physical resources provided. Digital HR platforms foster seamless communication and collaboration, facilitating more efficient connections and engagements among employees and their superiors. The advent of remote work options, made possible by digital tools, offers increased flexibility, thereby promoting a healthier work-life balance. According to Jiang, Lepak, Hu, and Baer (2012), these platforms present personalized learning and development opportunities, empowering employees to enhance their skills and prospects for career growth. By embracing digitalization in HR management practices, organizations can also leverage predictive analytics to anticipate and address potential issues before they escalate into significant challenges. For example, if analytics reveal a rising trend of stress-related absences during specific periods, the organization can introduce stress management programs or encourage regular breaks to mitigate the issue.

### Conclusion

By harnessing the power of digital tools and technologies, companies are able to gather and analyze data, obtaining invaluable insights into their workforce. This, in turn, enables them to make informed decisions and devise tailored strategies that prioritize employee welfare. The impact of digitalization on employee well-being extends well beyond the mere provision of physical resources. Digital HR platforms facilitate seamless communication and collaboration, fostering connectivity and active engagement among employees. The advent of remote work options, made possible through digital tools, offers newfound flexibility, thus contributing to a healthier work-life balance. Additionally, personalized learning and development opportunities empower employees to augment their skills and propel their careers forward. By harnessing the power of digital tools and technologies, companies can gather and analyze data, obtaining invaluable insights into their workforce. This, in turn, enables them to make informed decisions and devise tailored strategies that prioritize employee welfare. The impact of digitalization on employee well-being extends well beyond the mere provision of physical resources. Digital HR platforms facilitate seamless communication and collaboration, fostering connectivity and active engagement among employees. The advent of remote work options, made possible through digital tools, offers newfound flexibility, thus contributing to a healthier work-life balance. Additionally, personalized learning and development opportunities empower employees to augment their skills and propel their careers forward.

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