

## DEVELOPMENT OF HR SYSTEM FOR DIGITAL ERA

**Mr. Amitkumar S. Giri**

*HR & IR, Bharat Forge Ltd, Pune*

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### ABSTRACT

The change is inevitable and in last decade digitization has brought the rapid change that has accelerated growth leading to changes in both business and society. One consequence of these shifts, which have been outlined below, is that of development of human resource system for workforce is more important than ever to organization success. Development of human resource system importance will grow in future.

Human Resources and its allied challenges are growing than ever before so too are opportunities for organizations to excel through Human resource strategies.

- Industries are transforming into global organizations.
- Multi-Talent and Proactive Leadership are rare resources than ever before.
- In Digital era, systems will be given more importance than manual processes.

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**Keywords** - *Digitization, accelerated, Allied challenges, strategies, global organizations, multi-talent, proactive leadership etc.*

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### Methodology for Research

The study focuses on perceptions and attitudes of employees in relation to development taking place in HR in post liberalization economy that is digital era. While the views and opinions on above topic have been collected from selected employees (30nos), who have more than 10 years of experience from various departments in the Auto Component industries in Pune region Maharashtra Industrial Development Corporation (MIDC) i.e. Pune Municipal Corporation,

Pimpri Chinchwad, Bhosari, and Chakan.

The researcher selected and collected the data from these industrial belts because these MIDC have main concentration of auto component industry with different economic development. The sample respondents constituted the main source of information which is collected by administering a questions and answers session. The secondary data has been collected from Source for collecting Secondary data:

1. Document review: Review of blank copies of forms and sample.
2. Observation – Analyzing press releases, verifying the statements during the interview.
3. Web Research – Information related to industries will be partly studied from their website and partly through interviews.
4. Research papers, journals and articles.

### **Introduction**

Human resource is basically concerned with management of workforce of an organization. We have witnessed economic reforms introduced by government due to which we can say that there are two eras namely:-

#### **1) Pre liberalization (Period before 1991)**

The period before 1991 was basically termed as, “Licence Raj”. The Indian economy was protected from foreign competition. For carrying out any type of business, entrepreneurs had to obtain license from the government. For managing the day-to-day affairs of such business a personnel officer was appointed. The role of personnel officer was largely concerned with staff

functions like hiring, compensation management, imparting training and evaluation. The famous policy adopted during this period was “Hire and Fire”. There was no employer – employee relationship concept developed during this era.

#### **2) Post liberalization (Period after 1991)**

The period after 1991 was known as the era of Liberalization, Privatization and Globalization (LPG). Few sectors of Indian economy were opened for foreign investors to invest so as to free our economy from regulations to de-regulations. Many western management styles were adopted by the Indian firms/businesses. Workforce were seen as resource and their job as resourfulness. This is how human resource management as a function developed hereafter.

These two eras have impacted human resource functions widely and post liberalization era especially has led the way to development of human resource in all sectors. Human resource function, role and responsibility underwent many changes during these two eras from playing the role of Personnel manager to Administrator to human resource manager and now new

term has been coined Employee Relation manager or People manager or Talent manager.

### Scope for Development of Human Resource System

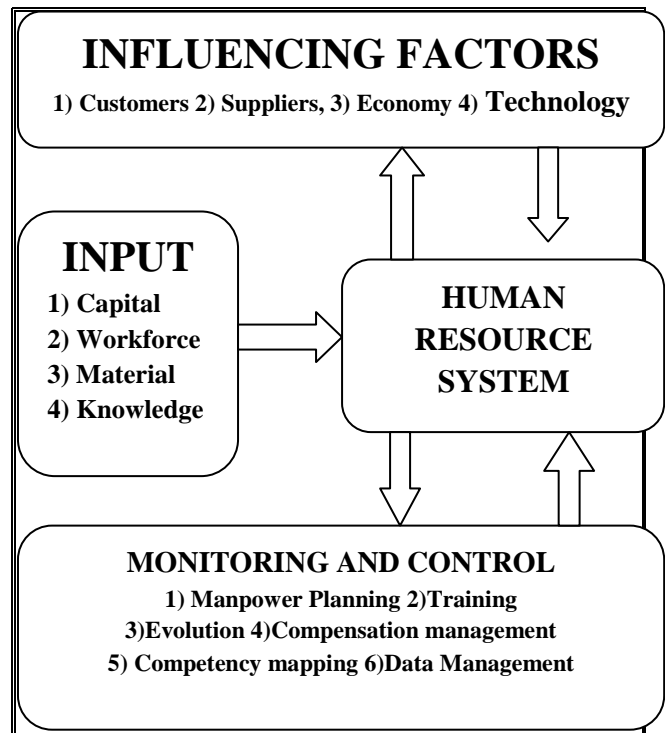
The rapid technological change in HR functions demonstrates the causal relationship between the HR department and the business outcomes. Once this causal relationship is discovered, HR systems are developed to work towards achieving business goals.

Useful HR-related functions consist of:-

- Recruitment
- Competency Mapping
- Training
- Employee engagement
- Customer satisfaction
- Performance appraisals
- Compensation and benefit management

### 3. Human Resource systems

This can be better understood from the diagrammatic presentation given below in figure 3.1 let us see which is discussed briefly thereafter:



*Figure 3.1*

From the diagram above, we can interpret that for proper functioning of any systems there should be three things in place input, process and output.

For any organization the Input required is  
**1) Capital** – It relates to the capital employed by the organization in whatever form it may be for business.

**2) Workforce** – Every organization cannot just functions without hiring proper workforce be it blue collar job or white collar job.

**3) Materials** – Every organization which is in manufacturing sectors requires

adequate materials to produce the necessary products.

**4) Knowledge** – Every organization needs knowledge workforce to carry out the activities and generate ideas for innovation.

In the process, Human resource system is affected by influencing factors in its day-to-day functions such as:

#### **1) Customers**

Change in demands and supply to both internal as well as external customers affects the HR systems.

#### **2) Suppliers**

The role of suppliers for necessary raw material and equipment plays a significant role that affects the HR systems.

#### **3) Economy**

The government decisions and introduction of new policy and regulations also affects the HR systems the significantly.

#### **4) Technology**

In this digitization era, hybrid technology is the most dynamic change that the

organizations are witnessing this also affects the HR systems the significantly.

For countering this challenges of influencing factors HR systems need to have better monitoring and control. This can be achieved by practicing HR functions like:

#### **1) Manpower Planning**

Recruiting right person for the right job is the best way to monitor and keep control over excess manpower. Manpower planning plays a crucial role and affects the HR systems the significantly.

#### **2) Training**

To adapt to rapid change due to technology in business up gradation of knowledge, skills and attitudes is required by workforce. This can be achieved only through imparting training to workforce which affects the HR systems the significantly.

#### **3) Evaluation**

know the changes and improvements in production brought about due to training to workforce the HR systems needs to carry out proper evaluation.

#### **4) Compensation management**

these acts as one of the motivation factors for many employees or workforce

in an organizations. Proper system for calculating compensation and benefits to employees also affects the HR systems the significantly.

#### **5) Competency mapping**

This is a systematic and scientifically proven method of calculating the competencies of employees and utilizing the same for development of organization which affects the HR systems significantly.

6) Data Management – Digitization has helped HR systems to store proper records of all workforce related data, maintenance of such data and records, aligning of voluminous data, retrieval of perishable data.

Data management helps in decision making process. A tool called Management Information System is developed which helps organization make strategic decisions which impacts business crucially can be taken with its help.

Computer Integrated Manufacturing (CIM) concept is introduced in many manufacturing industries where robots replace manual labour in the manufacturing process. This in turn helps in saving cost, time, overheads etc. This process affects the HR systems significantly.

The output that every business intends to achieve by having effective HR systems in place is proper and better service to internal and external customers both.

#### **4) Challenges / Limitations of HR systems**

- The critical administrative tasks related to all HR functions needs to be identified by the HR managers. Proper monitoring and alignment of HR functions needs to be done and effective feedback needs to be developed for HR system.
- HR systems should be designed and developed in such manner that it caters to needs of all.
- HR systems should be easy to understand, deploy and retrieve.
- Efficient HR systems data should be easily made available or identifiable with less effort.
- HR systems should be flexible enough to incorporate new data and retrieve old data.
- HR systems should be user friendly otherwise it does not make business sense.

#### **5) Advantages of HR Systems**

- **Significance of HR system** -HR systems should use top down approach for reporting rather approach of bottom up for data

mining only then a significant results can be achieved.

- **Effectiveness of HR system** - The quality of data is crucial as wrong or misleading data will have negative impact on business.
- **Persuasive Factors for HR system** - HR managers need to convince the stakeholders of true business performance and should not beat around the bush by telling false stories built around big data metrics. The internal as well as external customers expect true picture of business which should be based upon facts.
- **Change Factor.** For better, faster and intelligent decisions the end user should be able to develop and execute the business related decisions in efficient way. This will lead to make over of new business strategy.
- **Information collection & analysis**  
HR systems uses information related to employee demographics, annual performance review data, employee education and training history to arrive at correct picture of analytics.

- **Interpretation of HR policies**

Data collected through HR systems helps in interpretation of policies.

- **Statutory & Non- Statutory Compliances**

HR systems helps in conducting compliances on annual basis and includes variables impacting employee performance and other factors such as cultures, leadership, quality, company brand etc.

However, the growing importance of effective HR system can be attributed to the need to costs cutting and increase financial accountability of organization. The HR managers should be able to adopt following four skills:

1. **Logical frameworks**

HR manager should be able to predict individual and organizational behavior based on logical framework obtained from HR system.

2. **HR Analytics**

Data related to manpower planning should be used by the HR managers and proper analysis and synthesis to be carried out for decision making.

### 3. Measuring tools

A proper system should be developed to measure the performance metrics obtained due to implementation of efficient HR systems.

### 4. Process information

Digitization helps in proper understanding the flow of process information. HR manager should be able to upgrade his skills to understand the process flow properly.

Thus, digitization is inevitable in the current era which has put forth challenge before the budding HR managers to adapt to it. Hence, development of effective HR system is of utmost importance.

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