

Why digital HR Matters

The Human Resources Profession has undergone massive changes in the last twenty years. During the Industrial Era where Land, labour and capital were the keys to advantage the personnel management profession as it was then focused on time and productivity measurements which also progressed into the Production Era where large manufacturing concerns required efficiency and scale in production. In the competitive Era (1950-1990) when the body of knowledge that we today know as Human Resource Management was crystalized the professionals in this field had to understand how the business works. They no longer focused solely on employee welfare and industrial relations. In the social era which is defined by networks the Human Resource profession finds itself again at a cross roads. These networks are based on both digital and non-digital platforms and are changing the way people work and the way work is organised.

The social era is also characterized by the use of information technology to create platforms for collaboration. Anyone who has worked in a large organization knows that the Human Resource office is usually mandated to maintain "secrets" with regards to a number of things including pay and benefits. We have also seen these things that were supposed to be secrets become openly discussed in the social media. The basis of pay among different individuals at different levels of the organizational hierarchy is no longer a secret thanks to the growth of social networks. Another area that has suffered from the social era is that of Performance Management whose custodian is the Human Resource department. In organisations that adopt a moderation approach to performance results at the end of the year it is no longer a secret that an employee will know his or her final performance rating even before these have been officially communicated thanks to the rise of these social networks. The fact that the world has moved from past-information to real-time information also means that employees are no longer willing to wait hence fuelling the fire of social networks.

Digital HR has come up as a way to not only keep pace with the business demands but also to address some of the needs of the modern business. In the case of the performance management example mentioned before, the results of performance moderations are input into an online real-time system and communicated directly and immediately to the employee thus eliminating any bias or need for a middleman.

The recruitment arena has most benefited from the digital revolution and HR professionals are able to sift-through large amounts of CV's and application documents to be able to determine which individuals should be invited for interviews. The links to the recruitment boards are shared pervasively though social networks thus increasing the quality and quantity of applicants. The fact that internal employees have access to these digital links allows the organization to attract individuals whose culture is similar to that of the organization and this goes a long way in improving productivity. There are also attempts to bring block chain

technology to solve certification issues, to increase transparency and in turn address fraud in employee credentials.

Payroll is another area that has improved drastically with the need for checking and rechecking of the accuracy of the input having been cut down significantly. The payroll systems have been upgraded with some form of history, which allows the system to prompt and escalate any anomalous entries to the superior. An employee who for instance earns 1000 shillings on a recurrent basis will have his payroll computations escalated to the Finance Manager for example if the current months pay is input as 10,000 shillings. This means that only exceptional items will be sent for review and rework.

Digital Work force planning, Productivity and efficiency management tools have given rise to new ways of measuring output as well as determining optimal staffing levels. With the highs and lows of economic activity companies are beginning to use "gig" workers who are only employed as and when required. This challenges the traditional HR practices of recruiting, pay and rewards. There are digital platforms that allow companies to have access to the gig workers at a short notice. In addition to this employees are developing their own apps for use at work. Some of these can easily be rolled out to the entire organization while some may need to be discarded.

Companies that previously made large investments in computerized learning management systems have to compete with lean companies that adopt MOOCs (Mass online open courses) whose costs are much lower. The use of training opportunities as a motivator has also declined because employees have access to these MOOCs at the click of a button. MOOCs are continually being developed to increase interaction between participants, respond to participant questions through forums and direct interaction with instructors as well as providing the opportunity for learners to self-pace their learning and apply the learnt concepts before proceeding with the next learning activity.

Digital HR plays a key role in bridging the gap between HR professionals and Line Managers. The entire spectrum of offerings within the HR Portfolio is availed to the line managers who are not only able to tell when a particular intervention is required for a given employee or set of employees, they are also able to fully participate in the employee life cycle activities with limited and strategic involvement of the HR department.

Any organization that has not embraced digital HR will not be able to face up to the challenges of the modern work place which include the rise of generation Y, the mass customization of jobs and careers, shorter career spans, increased pressure from business for cost reduction and efficiency, adoption of non-traditional methods of learning and development and the importance of innovation in creating an agile workforce. The Challenge of HR is therefore not only to digitize the activities and processes from on-boarding to exit but also the interactions within the organization beyond

employee engagement to a process of co-creation with staff, with managers and with Executives.

What digital HR will achieve is the creation and expansion of networks thus increasing accountability in the workplace by making it more transparent. The added benefit of this is that employees will review and enforce organizational guidelines so that the entire workforce stays aligned by purpose. Evidence shows that collaborative models are important to innovation because they allow new ideas to be infused into an organization from all sources inside and outside the organization. Digital HR is therefore a means of transforming an organisation to perform better, produce more and achieve more for the greater good of the shareholders, stakeholders, employees and the community at large. Is your organizations HR capability digitized?