A Review On Digital HRM Strategies In Service Sector

Amanpreet Kaur
Punjabi University, Patiala

Abstract

Digitalization can be seen in every sector or industry, and there is no denying its impact. It has substantially changed the way things worked or completely revamped the work. This study reviews digital HRM strategies in service sector. Digital HRM strategy drives HR process digitization. It automates and improves recruiting, onboarding, and staff management. For this specific purpose, it utilized 16 studies from 182 studies from various databases like google scholar, Taylor and Francis, Elsevier, ResearchGate etc. Various studies from different authors are studied and discussed. This study concludes that various Digital HRM practices are used in all industries, providing efficiency, cost, and time-saving.

Keywords: *Digitalization; Human Resource Management; Service Sector; Digital Human Resource Management.*

I. Introduction

The rapid proliferation of digital technology has had far-reaching effects, transforming everything from business models and corporate strategy to daily routines and interpersonal interactions. In the same way, the design process, strategic planning, and operationalization of the HR department now contain elements from the digital world. Despite this, technology's influence on HR has been small on value-adding transformative initiatives. Further, the widespread use of new technologies has resulted in certain undesirable side effects (Thite 2018).

When a company becomes digitalized, its services shift to the digital realm. Every facet of contemporary life has been touched by digital technology, and the shift from analog to digital commerce is inevitable. Human resource management (HRM) is another company that is making good use of digitization, particularly via the deployment of various employee-related technologies. Technology-enabled service providers, social media networks, and various android applications that manage HR processes. Given this context, this article will investigate the ways in which technological innovation and digital culture are shaping the evolution of HR procedures like hiring, training, evaluating, and compensating employees in the modern workplace. The results of Innovative HRM practices have been shown to have a positive effect on staff retention and productivity, according to previous studies (Bhagat, 2020).

HRM and Digital HRM

These days, most companies operate on a global scale, which necessitates the constant movement of products, services, technologies, managerial know-how, and cash from one country to another. Faster communication networks are one of globalization's most notable effects. Globalization has led to deeper integration among national economies (Bhagwatti, 2004). Because an organization's success is tied to the quality of its human resources, digital human resource management has emerged as a vital aspect of modern management. The HR department must accept the digital revolution and make sound HR policy a priority. Human resource management, however, has a variety of obstacles to overcome across the globe. To be competitive in today's economy, companies must explore opportunities in overseas markets.

Attempting to manage the challenges of change and transition presents the HR department with its greatest opportunity. Human resources, along with other business areas, is now taking the initiative to build organizational momentum and internal skills. In today's more competitive market, HR managers have come to understand that HRM must play a more strategic role for their companies to succeed, and as a result, their responsibilities have expanded accordingly (Indermun, 2014). The effectiveness of the hiring process has a significant impact on the caliber of an organization's human resources. Since in an age of competition, the success of every firm is proportionate to the growth of its talent, competent staff is crucial, according to Burma (2014). If the company want to get the most out of their employees, it's just as crucial to keep the excellent ones as it is to get new ones. A well-defined, objective, and consistent performance evaluation system is, thus, a prerequisite for a well-defined, consistently-rewarded system. According to Taylor and Stern (2009), there are four key factors that contribute to an employee's "falling in love" with their organization: fair compensation

that is competitive with the market, the good treatment that is, a focus on recognizing each employee's contribution on-the-job training and development of talented employees.

Table 1: Distinguishing e-HRM, Virtual HR, Web-based HR, HR intranet and HRIS.

e-HRM	e-HRM is the use of IT to connect and let at least two employees inside a company collaborate on HR tasks.
Virtual HR	Intellectual capital development and deployment are aided by a networked structure based on partnerships, which is often mediated by IT.
Web-based HR	HRM is undergoing a sea change as more and more tasks are moved online, and HR professionals may take use of new technologies available on the web to improve the quality and quantity of services they provide to their staff at a reduced cost.
HR intranet	The intranet is a private network that allows workers, members, and other authorized individuals to communicate with one another and with other departments within the corporation.
HRIS	Human resource information system (HRIS), database, tools, transactions, and integrated broad HR-related network.

(Source: Girisha, M. C., & Nagendrababu, K. (2020). Challenges and issues of e-HRM practices in India. *Our Heritage*, *68*(30), 5123-5132.)

II. Literature Review

Johnson, R. D. et al. (2020) explored e-HRM and AI as means by which businesses in the hotel and tourist industries may better find and hire top talent, keep existing workers longer, and fill vacancies faster. The use of e-HRM and artificial intelligence in the hospitality and tourism sector has the potential to completely alter the way in which workers are chosen. However, caution is necessary to ensure that the insights gathered and the actions made are favorably welcomed by workers and result in improved results for individuals and the firm.

Gani, R., & Anjum, D. (2017) observed that by combining IT and HRM, management systems might better align with the needs of the company and its people. Electronic Human Resource Management refers to the dissemination of HR data in digital form. E-HRM is a method for carrying out HR strategies, rules, and procedures in a business. In today's corporate world, many companies have switched to e-HRM instead of traditional methods of HR management. E-HRM is a procedure that has significantly contributed to enhancing organizations' Human Resource management capacities.

Nagendra, A., & Deshpande, M. (2014) highlighted HR executives' efficiency and grasp of organizational technology. HR executives are aware that IT can improve HR planning efficiency and save time and money, according to the report. Technology offers strategic value and a competitive advantage for documentation and strategic decision-making. HR executives said managers could discover specific training relevant to the company and employee growth. Sometimes this subsystem prevents execution and documentation errors. Business and IT must be synchronized.

Yusliza, M. Y., et al., (2011) found that compatibility and visibility of HRIS had a favorable effect on adoption and use, whereas complexity had a negative effect. Some early data from Malaysia on HR positions and e-HRM, including an examination of 51 HR professionals' opinions on e-value, HRM's convenience of use, and general attitude. Results showed that 76% of respondents had utilized e-HRM in the workplace, while 22% had not; there was a significant correlation between favorable attitudes and the perceived value of e-HRM.

Strohmeier, S. (2020) examined ideas like digitization, digitalization, transformation, and disruption of HR to better understand digital HRM. The study drew on the broader body of research on digital organizations to define key terms and classify different approaches to HRM in the digital era. The language provides clear and concise descriptions of key ideas and the links between them, laying the groundwork for comprehension. In order to better understand the phenomena surrounding digital human resource management, the typology provides exact and minimal ideal types.

VARDARLIER, P. (2020) stated that business organizations are using digital HR solutions to perform HR duties. Human resource management today employs many of the same digital technologies used by businesses for their workers and job applicants. Therefore, digital transformation in HR operations is more successful when implemented as part of a larger recruitment strategy. This research looked specifically at how companies are using HR software on the digital front. The effects of technology on HR procedures, however, have also been explored in depth.

Halid, H., et al. (2020) examined the idea and many features of digital HRM and evaluated numerous related research. When human resources (HR) departments make use of digital tools like mobile apps, data analytics, and cloud computing to streamline their operations, they are said to have adopted digital HRM. All businesses today must undergo some digital transformation in order to remain competitive in the long run. If they don't, they'll fall behind rivals in their field. Organizations might use the insights to better deploy digital HRM and boost their efficiency and effectiveness.

Malik, A., et al. (2020) outlined the state of e-HRM, often known as the digitalization of HRM, and the difficulties in creating AI-based HR solutions. In order to achieve this goal, the author spoke about some of

the most recent developments in the fields of emerging trends, applications, scenarios, and problems. Despite the efficiency and cost, and time-saving rationales offered, the very notions of HRM digitization and the rising use of Al-enabled HR apps are identified as a matter of worry. It appears that the General Data Protection Regulation (GDPR) isn't enough to address some of the more widespread concerns about data privacy, which have arisen in connection with the digitization of HR and the use of data in Al-based HR apps.

Arslan, A., et al. (2022) focused on the difficulties encountered by HRM departments and managers in modern businesses as a result of the tight cooperation between AI and human employees, particularly at the team level. It then goes on to talk about some potentially beneficial ways of dealing with these difficulties. Before organizing human employees with robots, the authors recommend putting in place organizational support mechanisms such as a conducive climate, chances for training, and a minimum feasible level of technical competence. Human resource management has a significant obstacle when it comes to assessing team members' productivity when AI and humans are working together.

Gilch, P. M., & Sieweke, J. (2021) focused on the strategic elements of the relationship between recruiting and digital transformation rather than just the employment of digital technology in recruitment. Both of the following were accomplished by the research: One, we've discovered two brand-new positions that need to be filled in the midst of digital transformation: It serves as a "sensory organ" that improves the organization's ability to absorb information and as a "mediator" between different groups inside the organization and the outside world. Secondly, expanded upon prior work in human resources research by examining the strategic ramifications of digital transformation on recruitment, with a focus on recruitment's role in the renewal of an organization's human resource base, which is essential to the latter's digital transformation.
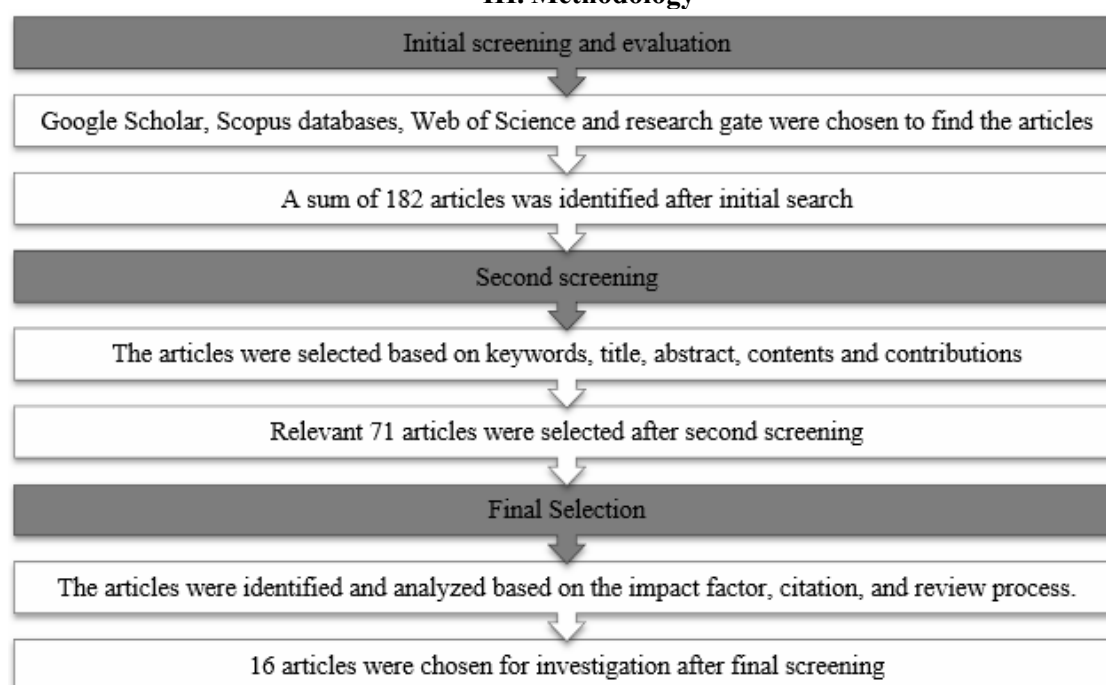
III. Methodology

Figure 1: Review Method

IV. Discussion

The concept of digitalization has been studied many times in the past and is being researched in big quantities. This study looked at various studies which look at digital HRM to find the reviews on strategies relating to digital HRM in the service sector. Using e-HRM and AI, Johnson et al. (2020) explained how the hotel and tourist industry may improve its recruitment, selection, and retention of personnel, as well as its time to replace departing workers. According to Gani & Anjum (2017), HRM and IT work together to bring company management systems into sharper focus on the needs of both managers and workers. Human resources executives' effectiveness and knowledge of technology phenomena in the workplace were emphasized by Nagendra and Deshpande (2014). The effects of HRIS implementation and use on human resources managers and professionals at firms were studied by Yusliza et al., 2011. Strohmeier (2020) looked at the linked ideas of HR digitization, HR digitalization, HR digital transformation, and HR digital disruption to better define digital HR management. According to VARDARLIER (2020), businesses increasingly employ HR software to handle HR tasks. Several works on digital human resource management have been evaluated by Halid et al. (2020),

who then addresses the general idea and its many facets. E-HRM, also known as the "digitization of HRM," and the creation of Al-based HR applications were discussed by Malik et al. (2020). HRM executives and departments in modern organizations have unique issues as a result of the intimate contact between AI and human employees, particularly at the team level (Arslan et al., 2022). Beyond only the tactical use of digital tools in the recruiting process, Gilch & Sieweke (2021) investigated the broader strategic context of the relationship between recruitment and digital transformation.

V. Conclusion

Since the HR function has always provided a framework for managing company processes and activities, its role and relevance have altered through time as attitudes towards human capital shifted, and new technologies became available. Recently, however, IT and electronic systems have become very effective allies in the development of this characteristic. Specifically, HR transactional activities like monitoring and attendance records, absences, sick leave, annual leave, salary payments, benefits, stimulation, training, tracking achievement of goals, duration of employment and completion of work contract of employees, the planning of necessary workers in relation to the dynamics of the work of the organization, etc. are now faster, more accurate, and easier to carry out than ever before thanks to IT and electronic systems. All businesses today must undergo some digital transformation in order to remain competitive in the long run. Human resource digital transformation works best when integrated into a larger recruitment strategy. E-HRM is a method for carrying out HR strategies, policies, and procedures. The recruitment and selection processes in businesses might be drastically improved with the help of e-HRM and AI. E-HRM is a procedure that has significantly contributed to enhancing organizations' Human Resource management capacities. Through the use of IT, HR planning may become more efficient, which will result in cost and time savings. Digitizing the HRM process and the growing popularity of AI-enabled HR apps both provide compelling arguments for increased productivity and reduced overhead. These results show that a wide range of Digital HRM practices is in use across all sectors, with benefits including monetary and time savings.

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