

A Study of the Impact of Digitalization in HR in Private Organization

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Abstract:- In the past human resources management mainly focused on tasks such, as keeping track of employees handling payments and managing benefits. However, there has been a shift towards planning. Aligning HR practices with organizational goals. This shift emphasizes talent acquisition, employee development and performance management. Employee management is crucial for any organization as it involves supervising and coordinating the workforce to achieve objectives. With the advancements in technology over the year's employee management has evolved through human resource management. Digital HRM goes beyond technology utilization it integrates “cutting edge technologies like cloud computing, artificial intelligence (AI) machine learning (ML)” analytics tools and social media platforms into core HR goals.

This study delves into how the implementation of technologies has impacted the way resources (HR) functions are managed at private organizations, in Oman. It seeks to uncover the changes brought about by digitalization in HR processes like recruitment, onboarding and employee record keeping. The research also explores the reasons behind organization's adoption of tools in their HR operations and how the level of readiness influences the success of their digital HR endeavors.

Keywords:- Digitalization, HR Technology, Employee Experience, Artificial Intelligence (AI) Machine Learning (ML), HR Professionals

I. INTRODUCTION

Traditional HRM, which relied on processes like recruitment, onboarding, training and development performance management, compensation and benefits using paper records and face to face interactions has its limitations such as time-consuming procedures, potential for errors by humans and difficulties, in accessing and analyzing relevant data. The emergence of e HRM has revolutionized how employee management functions.

“Electronic Human Resource Management (E-HRM) leverages systems and software applications to streamline HR processes, automate routine tasks and enhance overall

efficiency”. Many organizations have already implemented Human Resources Information Systems (HRIS) to automate duties like managing personnel data, processing payroll and handling benefits administration. Digital HRM also supports the integration of work and flexible work arrangements thereby enhancing work life balance and helping organizations attract and retain talent in the digital era. Digital HR allows employees to take control by providing self-service functionalities that allow them to access and update their information apply for leaves of absence or engage in training programs. Moreover, it facilitates HR departments in enhancing recruitment processes through job portals, social media platforms and AI powered candidate screening tools.

➤ A Model for Transformation of HRM

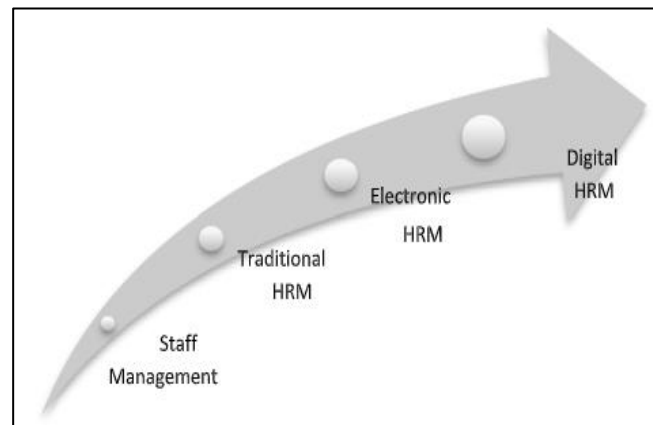


Fig 1 A Model for Transformation of HRM

➤ Objective of the Study

- To find out the current state of digital transformation implemented in HR in the Oman context.
- To analyze the impact of digitalization in HR-on-HR professionals and employees.
- Evaluating the benefits and challenges associated with implementing digital transformation in HR.

➤ Scope of Digitalization of HR in Organization

Digitalization of HR in private organizations can significantly enhance efficiency, productivity, employee experience, strategic decision-making, talent acquisition and retention, adaptability to changing work environments, data

privacy and compliance, competitiveness, employee ups killing and reselling, ethical considerations and long-term organizational sustainability. The study will be useful in identifying and implementing processes and technologies that enhance HR functions, organizations can save costs, reduce administrative burdens, and make faster decisions. Digitalization can also improve employee experience by enhancing onboarding, engagement, self-service options and career development, leading to higher job satisfaction and retention rates. By understanding the impact of data analytics and AI tools on HR decision-making, organizations can develop more effective HR strategies. The study will also ensure and help in making the impact of digitalization in HR, organizations which can ensure long-term sustainability and competitiveness in a rapidly evolving business environment.

➤ *The Current State of Digital Transformation in HR in Oman*

The HR transformation in Oman is becoming increasingly important as firms are forced to innovate and adapt to suit modern demands. HR planning, recruiting, selection, performance management, incentive management and employee relations are just a few of the sectors that are being impacted by the growing effect of technology integration into HR services. The study aims to explore how organizations can digitally transform their HR function by utilizing tools for enhancement, improvement and effective solution delivery. Some specific digital technologies being implemented in HR include data analysis, HR information systems (HRIS) cloud based platforms dedicated to HR services and mobile applications designed to streamline HR operations.

Furthermore, artificial intelligence (AI) is gradually replacing tasks alongside robotics, Internet of Things (IoT) and block chain technology. These advancements offer possibilities for organizations. Are crucial for thriving within the emerging digital economy. Additionally, this study seeks to comprehend the challenges associated with digitizing HR roles during Oman's cognitive technology era while providing insights into the digitalization process, within its Sultanates human resources sector.

However, the extent of digital transformation may vary among organizations in Oman, as some are still in the early stages of adoption while others have made significant progress. Overall, the digital transformation in HR in Oman is steadily progressing towards more efficient and technology-driven practices.

➤ *Challenges of Digital Transformation in HR*

Organizations face various challenges when implementing AI in HRM. One major challenge is the lack of trust, which can cause employees to lose confidence and result in lower productivity, increased stress, and even burnout, fear, and anxiety. Additionally, employees may be dissatisfied with AI implementation due to limitations in automated performance management systems, making performance management complex. Another challenge is the lack of advanced digital infrastructure. High investment costs

also pose a challenge for many firms, despite the potential for low maintenance costs and lack of return on investment.

II. REVIEW OF LITERATURE

In recent times organizations worldwide have been going through changes due, to the influence of digital transformation. The Sultanate of Oman is not an exception to this trend as digital solutions are increasingly being adopted across industries. However, the effect of digitalization on resources (HR) management in Oman remains largely unexplored in research. This review aims to examine the status of HRs transformation in Oman with a specific focus on how it impacts HR professionals and employees. Additionally, we will assess the advantages and challenges associated with implementing transformation in HR providing insights into how it can enhance organizational performance and employee wellbeing.

The analysis of utilizing robotic process automation (RPA) managing human resources (HR) is discussed in the study were, RPA involves automating repetitive tasks that are typically done manually by individuals via software bots. The focus is on evaluating and enhancing RPA's effectiveness and efficiency in HRM as outlined by Mohamed S.A. (2022). The primary aim is to address the challenges faced by HR departments in various organizations, particularly in managing large amounts of data and repetitive. RPA is positioned as a solution to these issues by automating tasks such as payroll processing, leave management, and employee onboarding.

RPA can streamline daily tasks that require system administration, including handling extensive data transfers across different levels for swift and adaptable implementation. Setting up digital process automation is straightforward through an automated process that integrates with existing digital HR systems. Additionally, it can be enhanced with drag-and-drop functionalities and robot software developed within an editor. These robots work continuously to boost productivity, reduce service errors, and increase the efficiency and reliability of service delivery.

Securing and retaining employees is paramount for success. An essential goal of HR automation is to attract and retain top talent. This entails creating an appealing package comprising comprehensive training, diversity initiatives, a conducive work environment, flexible work schedules, among other factors. To achieve this, ensuring full commitment from the organization to inclusive practices, open communication, and top-management support is crucial. The primary obstacle lies in competition with other organizations, both governmental and commercial. RPA aids HRM by cutting costs, enhancing accuracy, and accelerating processing times. This involves integrating RPA with existing HR systems, optimizing workflows through process re-engineering, and leveraging other technologies like artificial intelligence (AI) and machine learning (ML) for better decision-making.

Al Noumani. R & Syed. S, (2020) extensively delve into the benefits of HR automation in organizations, focusing on the advancements brought about by digitalization in HR functions. They emphasize the positive outcomes of digitalization in improving efficiency, decision-making, and strategic planning within HR. The seamless integration of real-time employee data, analytical capabilities, and big data utilization leads to insightful predictions, key for achieving critical business success. AI and digital technologies in HRM offer a wide array of advantages, from increased efficiency and improved HRM practices to strategic HRM and task automation. These technologies are instrumental in identifying suitable candidates, supporting strategic HRM, and enhancing decision-making processes. Although the adoption of digital technologies might impact resource availability and certain job roles, it results in more efficient resource allocation for valuable collaborative tasks, ultimately increasing staff productivity and overall worker effectiveness. Digitalization plays a significant role in guiding strategic decision-making, saving time, minimizing errors, and fostering a strong organizational culture, governance, and work environment. HR Digitalization emerges as a transformative element that positively impacts an organization's overall performance.

In the year 2020, a study was conducted on Gulf nation's private companies in which the results revealed the fact such as 46% manager's lacks required expertise to adopt digitalization. Around 35% of them lack skills to manage digital transformation projects. Additionally, the findings also highlighted that a normal employee has over twelve large and small changes in a year, and many such changes faced objections from the employee's attitude or discontent to adjust and adapt with digital transformational changes.

A study by McKinsey in 2018 revealed that 12% of respondents found a without a need of changes to fierce processes after AI implementation. Moreover, the research shown that 38% of employees had a very negative view of AI adaption, 20% were very happy. Due to no proper leadership, ownership and commitment to AI work. 27% of employees had an issue with AI working. Clarity of AI models and the absorption of government regulations are extra concerns! Clear and strong government regulations are necessary to address accountability, regulations, and standards for auto intelligent systems. Those regulations should cover a variety of scenarios, like addressing harm caused to individuals while using AI or handling sensitive information leaks. Another challenge is the effectiveness of AI-generated algorithms based on big data tools. Despite many companies collect data daily, they often struggling to gather the right data in the right amount.

This raises questions about the accuracy and reliability of AI predictions. Additionally, the use of certain software, like 'Preactor' at the Siemens factory in Congleton, has led to worker dissatisfaction due to perceived devaluation of skills, knowledge, and autonomy. The scarcity of talent with appropriate AI skills is another obstacle for organizations. With a demand for one million AI experts, only 300,000 experts are currently available. This shortage not only leads

to job losses but also creates fear among employees about losing their jobs. HR professionals also face a challenge in terms of lacking analytics capabilities and require proper training to efficiently utilize AI technology.

III. CONCLUSION

A view of incorporating digital processes in HR. The organization must emphasize enhancements in efficiency, accuracy and accessibility of HR services well as favorable effects on employee engagement and training initiatives. While there are acknowledged obstacles and resistance the overall advantages of HR solutions seem to outweigh these issues. The data underscores the significance of embracing transformation to boost competitiveness and align HR strategies with business goals. By adopting the latest technological advancements and exploring AI solutions such as Galileo, private organizations can advance its digitalization journey in managing HR processes ensuring continued success and competitiveness, in today's dynamic business environment. However, the study focused on the impact of digitalization, on HR processes a topic of importance. The study offered valuable insights and beyond for the various employees, members and management of the private organization.

As technology continues to shape organizations promoting digitalization is crucial for driving progress and adaptability. Our study demonstrates the role that digitalization plays in reshaping HR practices and driving success. Its widespread acknowledgment emphasizes its significance in advancing HR approaches, in today's era.

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