

Chapter 7

Exploring Innovative Practices in Digital Human Resource Management

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ABSTRACT

Over the last decade, digital transformation across most industries has dramatically impacted the field of Human Resource Management (HRM). Against this background, this paper discusses new Digital Human Resource Management (DHRM) practices, focusing on using advanced technologies to upscale HR functions. It primarily emphasises the integration of AI, ML, and cloud-based systems in recruitment, performance management, employee engagement, and workforce analytics. This research provides an in-depth analysis of current trends related to the technologies' benefits and challenges. Based on the case studies and empirical data, it was demonstrated that DHRM practices could enhance organisational efficiency, employee satisfaction, and the quality of strategic decisions. Evidence suggests that organisations using digital HRM practices are more likely to cope with changing business environments and keep their competitive advantage. The paper includes recommendations to HR professionals on implementing and optimising digital solutions for HRM.

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INTRODUCTION

In the modern age, traditional Human Resource Management (HRM) practices have undergone a sea change with the onset of Digital Human Resource Management (DHRM). This transformation is driven by the need for organisations to adapt to technological advancements and the increasing demand for efficiency and agility in HR processes. DHRM encompasses digital tools and technologies to streamline HR functions (Michalski & Greer, 2019), enhance decision-making, and improve employee experiences (Geethanjali et al., 2023). One of the most significant impacts of digital transformation on HRM is adopting Artificial Intelligence (AI) and Machine Learning (ML) technologies. These technologies are revolutionising various HR functions, including recruitment, performance management, and employee engagement (Simões & Junior, 2021). AI-powered recruitment tools, for instance, can automate the screening and selection process, reducing biases and improving the quality of hires.

Similarly, ML algorithms can analyse employee performance data to identify patterns and predict future outcomes, enabling more informed decision-making (Dwivedi, 2020). Another critical aspect of DHRM is the implementation of cloud-based HR systems. These systems offer a centralised platform for managing HR activities, facilitating real-time data access, and ensuring seamless integration across various HR functions (Singh et al., 2023). Cloud-based solutions also enhance data security and compliance, which are essential in today's regulatory environment. Employee engagement is another area where digital technologies are making a significant impact (Wickramasinghe et al., 2022). Digital platforms and tools can facilitate better communication, collaboration, and feedback, increasing employee satisfaction and retention (Lishmah Dominic et al., 2023).

For instance, social media platforms and mobile applications can provide employees instant access to company updates, peer recognition, and feedback opportunities, fostering a more connected and engaged workforce (Lavanya et al., 2023). Workforce analytics is an emerging field within DHRM that leverages data to gain insights into employee behavior and organisational performance (Vrontis, 2022). By analysing data from various sources, such as employee surveys, performance reviews, and social media interactions, HR professionals can identify trends, diagnose issues, and develop strategies to enhance productivity and engagement. Advanced analytics tools can predict future workforce needs (Deng & Hu, 2019), enabling proactive planning and talent management. Despite the numerous benefits of DHRM, organisations face several challenges in its implementation (Tan et al., 2018). One of the primary challenges is the need for significant investment in technology and infrastructure. Additionally, integrating digital tools into existing HR processes requires a cultural shift and a change in mindset among HR professionals

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