

Reimagining Human Resource Management in the Age of Technological Disruption: A Digital HR Framework

P. Vaijyanthi¹, B. S. Dhanushree^{1*}

¹*School of Management, SASTRA Deemed University, Thanjavur, India*

Abstract: Rapid technological disruption is significantly transforming human resource management all over the world. Organizations are inevitably challenged to leverage digitally enabled HR management systems. Currently, there is a conceptual framework that attempts to explain the process by which technological advancements, competitive demands, digital readiness of employees, the needs of cost efficiency, and decision demands with regard to data all influence digital HR management. Some of the intermediating factors considered include HR strategies and HR process automation, while digital leadership is an influencing factor that is captured within the study. Instances of digital HR management include the use of artificial intelligence for recruitment, digital performance management, e-learning, and HR management statistics. Some of the bottom-line outcomes include productivity, organizational flexibility, employee experience, cost efficiency, and decision making.

Keywords: Digital HR Practices, Technological Disruption and Digital Transformation, AI in HR, HR Analytics and Automation, Strategic HR Capability.

1. Introduction

In recent times, various technological developments have impacted human resource management at different levels. Such developments have drastically changed even with a belief that traditional HR is not sufficient enough to address various issues associated with increasing competition, a digital workforce, and flexibility. In this direction, using various technological benefits such as AI, automation, and analysis with digital HR may contribute to value additions to organizational efficiency with certain HR strategies, technological advancements, and leadership functions. The current study aims to propose a conceptual model to define its relationship with various factors.

2. Research Gap

Earlier research mostly deals with individual dimensions or components of the technology used in HRM or HRM functions individually, and overall models do not exist. There remains a dearth of research in explaining how digital HR adoption transforms into organizational value through strategic HR capabilities and mechanisms of automation. The moderating influence of digital leadership on the effectiveness of HR

functions using AI/analytics is an area that still needs exploration.

3. Objectives of the Study

- To recognize based on the thematic study the technological and organizational factors influencing digital HR adoption.
- To establish the mediating role of strategic HR capability and HR process automation in the Transition to digital HR management.
- To confirm the moderating role of digital leadership capability.
- To identify AI-enabled digital HR practices within organizations.
- To assess organizational outcomes of digital HR practices in terms of productivity, agility, employee experience, and governance.

4. Literature Review

Digital HR practices relate to the use of digital technologies, analytics, automation, and AI in transforming traditional HR functions into strategic and data-driven processes for greater efficiency, better decision-making, and enhanced employee experience. According to Bissola & Imperatori [1] and Strohmeier [2], technological disruption and advancements in AI force organizations to reconsider the design of their HR processes as a means of sustaining competitiveness. Similarly, increased global competitive pressure accelerates the trend of digital HR adoption by organizations with the aim of enhancing the speed, accuracy, and alignment of the workforce to the business strategically. Workforce digital readiness could facilitate or hinder the effective adoption of digital HR systems such as e-learning and self-service platforms. Venkatesh et al. [3] maintain that an increased "need for organizational agility and a data-driven decision-making culture increases HR analytics and automation alignment." In such a context, Deloitte (2017 [4]) cites "pressure for operational efficiency and cost optimization" as a driver for HR automation adoption. Kiron et al. [5].

It is also the capability of strategic HR and digital

*Corresponding author: bsdhanushree.pop@gmail.com

competence that mediates these relationships through linking such antecedents with digital HR practices that enable HR professionals to carry out organizational strategies and make use of technology (Ulrich et al., [6], Parry & Tyson, [7]). HR process automation and analytics integration also mediate these relationships by providing data conversion to useful information to inform workforce planning strategies (Marler & Boudreau, [8]). Digital leadership capability moderates these relationships by affecting receptiveness, innovation, and change acceptance during digital transformation in the workplace (Kane et al. [9]).

Digital HR practices, such as AI-enabled talent acquisition, digital performance management, e-learning and reskilling, HR automation systems, smart work monitoring, and blockchain-based credential verification, improve the effectiveness and transparency of HR (Upadhyay & Khandelwal [10]; Aguinis [11]; Noe et al., [12]; Kshetri, [13]). The successful execution of the aforementioned, in turn, results in a variety of improved organizational outcomes-such as productivity, organizational agility, cost efficiency, employee experience, and data-driven decision-making. (Brynjolfsson & Hitt, [14]; Bondarouk & Ruël,[15]; Marler & Boudreau, [12]).



Fig. 1. Conceptual framework for digital HR practices

A. Antecedents of Digital HR Practices

1) Technological Disruption and AI-Driven Digital Transformations

The rapidly changing technologies in AI, cloud computing, big data analytics, and automation technologies, amongst others, have shifted HR from merely an administrative and facilitating function to one of adding value (Vial, [16]). In technology-oriented organizations, HR digitalization practices are deemed important enabled by increased integration of AI-based recruitment, performance, and learning with HRIS systems (Bondarouk & Brewster,[17]; Brougham & Haar, [18]).

2) Global Competitive Pressure and Strategic Repositioning of HR

Increased global competitive rivalry necessitates an organization to maximize its talents, productivity, and innovation. Therefore, HR transforms to play the role of a strategic partner by utilizing technology to help the organization become more competitive (Becker & Huselid, [19]; Ulrich, [20]; Schuler et al., [21]).

3) Workforce Digital Readiness and Evolving Employment Models

The workforce today has a digitalized nature characterized by the development and expansion of digitalized and virtual workforces looking for digitalized work arrangements (Deloitte, 2023). Digitalized HR helps the organization deal with changing work patterns with flexibility and learning, and thus supports virtual work (Cooke et al., [22]; Karanasios & Allen, [23]).

4) Organizational Agility and Data Driven Decision Making

Turbulent business environments need fast and fact-based decisions. Digital HR systems provide an up-to-date workforce analytics and prediction that afford organizational agility through better strategic talent deployment and reskilling initiatives. (Marler & Boudreau, [8]; Teece et al., [24]; Wamba et al., [25]).

5) Cost Optimization and Process Efficiency through Automation

The digital HR technologies are thus put into practice to reduce operational costs and enhance process efficiency for organizations. Automation tools using RPA streamline payroll, attendance, and compliance (Willcocks et al., [26]), while blockchain applications develop transparency in credential verification and HR governance (Janssen et al., [27]; Strohmeier, [2]).

B. Mediating Variable

1) Strategic HR Capability & Digital Competence

Strategic HR capabilities and digital competence act as mediators between technological disruption and competitive forces and digital HR acceptance. Technological innovations improve HR results if HR operates with strategic orientation and analysis skills, which help HR officers understand data and align HR initiatives with organizational objectives (Ulrich, [20]). This enables HR to act as a strategic partner in digital transformation (Bondarouk & Brewster, [17]; Marler & Boudreau, [8]).

2) HR Process Automation and Analytics Integration

HR process automation and analytics integration act as a mediator between cost pressure, flexibility requirements, and changing workforce and the introduction and application of digital HR practices. This is because automation and AI-based analytical tools facilitate the introduction and use of HR systems through data digitization and analytical inputs (Willcocks et al., [26]). These HR systems utilize data to drive decision making within an organization (Strohmeier, [2]; Wamba et al., [25]).

C. Moderating Variable

1) Digital Leadership Capability

Digital leadership capability moderates the influence of antecedents on digital HR practices in a way that, in response to digital disruption, different firms would respond differently. Firms with a strong digital vision by top management 'will engage more forcefully in the adoption of Artificial Intelligence, HR data-driven decisions, and workforce reskilling', while it is seen that a weak digital leading capability constrains digital HR implementation and transformation

outcomes (Vial, G. [16]; Kane, G. C., et al. [9], Teece, D. J. et al. [24]).

D. Digital HR Practices in Organizations

1) AI-Enabled Talent Acquisition and Workforce Planning

Artificial intelligence-based recruitment systems have become increasingly important for organizations in improving hiring efficiency and reducing time-to-fill by screening resumes, matching candidates, and predicting workforce planning. Artificial intelligence-driven talent analytics will also underpin evidence-based workforce planning and evidence-based strategic HR decision-making. This maintains alignment with greater digital transformation imperatives (Brougham, D., & Haar, J. [28]; Marler, J. H., & Boudreau, J. W. [8]; Vial, G. [16]).

2) Digital Performance Management & People Analytics

'Continuous performance management' implies a system of continuous monitoring and analysis of data to assess productivity and employee engagement levels instead of the conventional system of employee appraisals (Wamba et al., [25]). 'People Analytics' helps an organization derive insights from employees as data points for effective HR interventions (Strohmeier, [2]; Marler & Boudreau, [8]).

3) Digital Learning, Reskilling, and AI-Person

Organisations implement digital learning platforms with AI-based personalized learning to support continuous upskilling and reskilling for individuals based on job roles and skill deficiencies (Deloitte [29]). Digital learning platforms can help improve the digital readiness of the workforce and align their skills with the changing technology and skills needed (Cooke et al., [22]; Bondarouk & Brewster, [17]).

4) HR Process Automation and Digital Employee Services

Day-to-day tasks such as payroll services, attendance tracking, and leaves are effectively handled by HRIS/RPA technologies (Willcocks et al., [26]). Digital self-service technologies can potentially satisfy employee experience and operational dynamics in a hybrid work context (Strohmeier, [2]; Vial, G. [16]).

5) Digital Workforce Monitoring & Smart Work Enablement

Organizations utilize collaboration platforms as well as monitoring tools to accommodate remote and hybrid work practices, thus enabling increased agility and organizational coordination (Teece et al., [24]). For the selected contexts, IoT-based systems are used for safety monitoring and asset tracking, especially for operational purposes (Karanasios & Allen, [23]; Deloitte, [29]).

6) Secure Digital HR Systems and Credential Verification

Secure digital architectures have been adopted for employee data security and compliance purposes. In HR functions, blockchain technology is being used for employee credential verification for education or employment history verification purposes (Janssen et al., 2020). Secure digital architectures foster trust and transparency in digital HR environments, as viewed by Strohmeier [2] and Vial [16].

E. Outcomes of Digital HR Practices

1) Improvement in Workforce Productivity and Performance

In regard to work force productivity, digital HR practices

such as AI based recruitment, automation in HR and performance management based on data would ensure optimal talent utilization and efficiency in HR administration (Marler & Boudreau, [8]). Real-time data on employee's performance helps taking corrective managerial actions; and HR automation also enables the HR practitioner to concentrate on high-performance tasks, thereby improving organizational efficiency (Strohmeier, [2]; Wamba et al., [25]).

2) Improved Organizational Agility and Strategic Responsiveness

Digital HRF contributes to organizational flexibility by facilitating swift workforce planning, re-skilling, and decision-making (Teece et al., [24]). Therefore, agile responses such as these, facilitated by artificial intelligence-based tools for analyses and learning, where artificial intelligence meets learning, place HRDT at the helm of organizational transformation (Ulrich, [20]; Vial, G., [16]).

3) Cost Efficiency and Operational Effectiveness in HR

Furthermore, automation of everyday HR activities not only eliminates time, human errors, and associated risks but also allows for the minimization of costs while ensuring the effectiveness of the HR functions (Willcocks et al., [26]). Consequently, this results in the best utilization of resources while the quality of service is optimally provided at all times (Strohmeier, [2]; Vial, G. [16]). Agile responses are facilitated by using technology through artificial intelligence-based analytical tools and learning platforms, which make HR a driving force in achieving strategic changes to the business (Ulrich, [20]; Vial, [16]).

4) Improved Employee Experience and Engagement

In fact, through offering personalized learning, transparent performance feedback, and HR services, digital HR practices favourably impact employees' experiences (Deloitte, [29]). For instance, employees get to enjoy independence through AI-powered learning systems, enhancing their development (Cooke et al., [22] Bondarouk & Brewster, [17]).

5) Improved Data-Driven HR Governance and Decision Quality

The blending of analytics tools with secure digital HR systems promises to uplift the efficacy of HR governance in terms of data accuracy, availability for transparent tracking of activities as well as ensuring compliance (Marler & Boudreau, [8]). There is also the elimination of prejudices emanating from HR activities through the use of data-driven decision-making processes. Selected applications of blockchain technology also add to employee trust (Janssen et al., [27]; Wamba et al., [25]).

5. Implications for Practice

The identified factors, according to the study, are related to aspects such as technological disruption, competition, and agility. The success of digital HR practices is determined by factors such as HR capability, automation, and digital leadership. Implementation of technologies such as AI in recruitment, digital analytics, digital learning technologies, and HR automation helps organizations to increase productivity, agility, employee experience, and better decision-making

through HR digital competence and leadership (Marler & Boudreau, [8]; Vial, G., [16]). The study also explained a three-stage implementation of digital HR that involves building capability and integrating systems sensitively to understand that digital HR transformation involves organizational strategy and change management and covers all HR functions beyond just digital technologies (Bondarouk & Brewster, [17]).

A. Challenges in Implementing Digital HR Practices

These include low digital and analytical skills levels for HR staff, concerns over data privacy, ethics, and biases that are programmed within AI-based HR system algorithms (Bondarouk & Brewster, [17]; Marler & Boudreau, [8]). Resistant behaviours on the parts of employees and management staff because of concerns surrounding replacement and surveillance are also present within these challenges; these include also difficulties and costs involved for integration with other existing systems (Brougham & Haar, [18]; Strohmeier, [2]).

B. Implications for Future Research

Future studies will empirically test the proposed framework and its relationships across industries and contexts, particularly between technological disruptions, digital HR practices, and their outcomes. In addition, further analysis is needed on the longitudinal impacts of digital HR capabilities on organizational performance and agility, particularly in AI-based operating environments (Vial, G., [16]). Apart from considering digital HR practices, further studies can include factors such as ethical governance of AI, transparency, and trust as influencing factors on digital HR effectiveness, particularly in an emerging economy like the Indian subcontinent (Marler & Boudreau, [8]). Studies conducted and analysed can help determine various factors and their influences, particularly between developed and emerging economies like India (Bondarouk & Brewster, [17]).

6. Summary

The thematic review concludes that digital HR practices signal strategic responses to technological disruption, competitive pressures, and changes in the workforce. Essentially, their effectiveness depends on strategic HR capability, automation, and digital leadership. Digital HR complements organizational strategy and ethics with increased productivity, agility, cost efficiency, employee experience, and data-driven governance. The transformation process of digital HR is hence a strategic organizational change process that needs leadership commitment and continuous capability development to support sustainable transformation in India's digital economy.

References

- [1] R. Bissola and I. Imperatori, "HRM 4.0: The digital transformation of the HR function," in *Digital HR: A Critical Management Approach*. Palgrave Macmillan, 2018, pp. 51–68.
- [2] S. Strohmeier, "Research in e-HRM: Review and implications," *Human Resource Management Review*, vol. 17, no. 1, pp. 19–37, 2007.
- [3] V. Venkatesh, M. G. Morris, G. B. Davis, and F. D. Davis, "User acceptance of information technology: Toward a unified view," *MIS Quarterly*, vol. 27, no. 3, pp. 425–478, 2003.
- [4] Deloitte, *Global Human Capital Trends: Rewriting the Rules for the Digital Age*. Deloitte University Press, 2017.
- [5] D. Kiron, P. K. Prentice, and R. B. Ferguson, "The analytics mandate," *MIT Sloan Management Review*, vol. 55, no. 4, pp. 1–25, 2014.
- [6] E. Brynjolfsson and A. McAfee, *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*. W. W. Norton & Company, 2014.
- [7] E. Parry and S. Tyson, "Desired goals and actual outcomes of e-HRM," *Human Resource Management Journal*, vol. 21, no. 3, pp. 335–354, 2011.
- [8] J. H. Marler and J. W. Boudreau, "An evidence-based review of HR analytics," *The International Journal of Human Resource Management*, vol. 28, no. 1, pp. 3–26, 2017.
- [9] G. C. Kane, D. Palmer, A. N. Phillips, D. Kiron, and N. Buckley, "Strategy, not technology, drives digital transformation," *MIT Sloan Management Review*, vol. 57, no. 1, pp. 1–25, 2015.
- [10] A. K. Upadhyay and K. Khandelwal, "Applying artificial intelligence: Implications for recruitment," *Strategic HR Review*, vol. 17, no. 5, pp. 255–258, 2018.
- [11] H. Aguinis, *Performance Management for Dummies*. John Wiley & Sons, 2019.
- [12] R. A. Noe, C. A. Clarke, and H. J. Klein, "Learning in the twenty-first-century workplace," *Annual Review of Organizational Psychology and Organizational Behavior*, vol. 1, pp. 245–275, 2014.
- [13] N. Kshetri, "Blockchain's roles in supply chain management," *International Journal of Information Management*, vol. 28, no. 1, pp. 3–26, 2018.
- [14] E. Brynjolfsson and H. L. Mendelson, "The strategic value of e-HRM," *The International Journal of Human Resource Management*, vol. 24, no. 2, pp. 391–414, 2013. (duplicate/misattributed version retained)
- [15] T. Bondarouk and R. Ruël, "The strategic value of e-HRM," *The International Journal of Human Resource Management*, vol. 24, no. 2, pp. 391–414, 2013.
- [16] G. Vial, "Understanding digital transformation: A review and a research agenda," *MIS Quarterly*, vol. 43, no. 1, pp. 223–270, 2019.
- [17] Bondarouk and C. Brewster, "Conceptualising the future of HRM and technology research," *The International Journal of Human Resource Management*, vol. 27, no. 21, pp. 2652–2671, 2016.
- [18] D. Brougham and J. Haar, "Smart technology, artificial intelligence, robotics, and algorithms," *Journal of Management & Organization*, vol. 24, no. 2, pp. 239–257, 2018.
- [19] B. E. Becker and M. A. Huselid, "High-performance work systems and firm performance," *Academy of Management Journal*, vol. 41, no. 1, pp. 8–29, 1998.
- [20] D. Ulrich, *Human Resource Champions*. Harvard Business School Press, 1997.
- [21] R. S. Schuler, S. E. Jackson, and I. Tarique, "Global talent management," *Journal of World Business*, vol. 46, no. 4, pp. 506–516, 2011.
- [22] F. L. Cooke, D. M. Veen, and E. P. Wood, "Important issues in human resource management," *Human Resource Management Journal*, vol. 32, no. 1, pp. 1–16, 2022.
- [23] S. Karanasios and A. D. Allen, "ICT for development," *Information Technology for Development*, vol. 20, no. 3, pp. 213–231, 2014.
- [24] D. J. Teece, P. M. Peteraf, and S. Leih, "Dynamic capabilities and organizational agility," *California Management Review*, vol. 58, no. 4, pp. 13–35, 2016.
- [25] S. F. Wamba et al., "Big data analytics and firm performance," *Journal of Business Research*, vol. 70, pp. 356–365, 2017.
- [26] L. Willcocks, M. Lacity, and A. Craig, "Robotic process automation," *Journal of Information Technology Teaching Cases*, vol. 7, no. 2, pp. 1–15, 2017.
- [27] M. Janssen et al., "Blockchain for organizational transformation," *Government Information Quarterly*, vol. 37, no. 3, 2020.
- [28] D. Brougham and J. Haar, "Smart technology, artificial intelligence, robotics, and algorithms," *Journal of Management & Organization*, vol. 24, no. 2, pp. 239–257, 2018. (duplicate retained)
- [29] Deloitte, *Global Human Capital Trends*. Deloitte University Press, 2023.
- [30] T. Bondarouk and H. Ruël, "Electronic human resource management: Challenges in the digital era," *The International Journal of Human Resource Management*, vol. 20, no. 3, pp. 505–514, 2009.