Editor's Point of View…

Human Resources (HR) departments have typically managed people while remaining separate from other parts of an organization. Increased digitalization is revolutionizing how HR departments serve managers and employees. In particular, cloud technology and mobile functionality are integrating HR into the fabric of everyday business. HR departments can generate data driven insights to enhance workforce performance and thereby improve overall business performance. As a source of quantifiable value to organizations, HR has truly come of age.

In writing this piece, I was struck by Daniel Kim's article "Shifting the Burden: Moving beyond a Reactive Orientation," in which he talks about how both quick fixes and fundamental solutions are reactive approaches. He goes on to argue for developing a vision, which is more proactive and creates a context within which the fundamental solution can be deployed. The fundamental solution must also be underpinned by new, relevant core competences. Otherwise, Kim argues, what seems to be a fundamental solution will inevitably lead to a new set of problems?

This insight suggests that, for HR to create a new, more sustainable future, HR professionals need to re-examine and reposition the function's purpose and develop and deploy new core competencies. Within any given company, the HR department must configure itself to be highly tailored and situationally specific to its organization's strategic and business challenges. Rather than hunting for best practices and generic models, the team will therefore invest time in crafting a more idiosyncratic approach. This shift must be supported by a facility for insightfully translating the business value chain and strategy into a compelling, evidence-based, and values-driven people agenda.

Digital Valley would be undertaking each month to bring new thoughts, new things, and new advancements occurring in the computerized world, which are probably going to acquire new transformation in our style of living.

Human Resource Management is central to any organization, and it's about far more than just hiring and firing employees. In forward-thinking companies today, HRM focuses on the recruitment, direction, and management of human assets, and making strategic plans for the future. Strong HRM nurtures human talent so employees can become even more valuable to the business.

**Regards,
Sohan Khemka**

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Human Resource Management

A glimpse of the past

Historically, HRM probably was the earliest evolved management function, predating other functions such as finance, accounting, and marketing. Although unrecorded, the actual managing of human resources doubtless has occurred since the first organization of people into functioning units such as tribes. As tribes formed and, particularly, as they evolved from hunting and then farming, a division of labour undoubtedly arose with recognition of differing productivity of individuals. This development was a form of division of labour in which different persons occupied different roles in the productive society.

Craftsperson's who could develop tools for farmers and be supported by the productivity of others engaged in farming doubtless emerged, and a natural division of labour arose. In short, the productivity of various crafts and occupations varied, and trade evolved to take advantage of these variations. Whether managed through the natural functioning of a market and a market allocation of productive roles, or the human resource management of a tribal leader, the issues of managing human resources emerged. In the late 18th century the Industrial revolution began in Europe and spread to the U.S. This revolution completely changed the way that individuals earned a living, and led to a shift from an agricultural to an industrial or manufacturing society. Human skills and craftwork were replaced with machines, and the factory system was born. Factories and manufacturing greatly improved production, and altered employment relationships. For instance, these systems replaced the self-employment independent contractor system and created permanent wage earners who were employed by organizations. At the same time, it resulted in the rationalization of work and another division of labour. Workers who had been skilled contractors became the tenders of machines and

performed highly specialized routine tasks. The new manufacturing system also created the need to supervise large numbers of workers, and management practices tended to be autocratic and paternalistic. Management expressed little concern for the safety or welfare of workers, and workers were controlled with force and fear. This approach to management continued until the end of the 19th century.

HR systems evolved in the 1980s from a simple computer application to virtual vaults of sophisticated human resources information and processes. HRM software has human resources professionals involved in the technology for employment and personnel matters. It has been used for different parts of talent acquisition including application tracking, performance & training management, attendance, rewards & recognition, work force analyses, and much more.

Cloud computing applications started being adopted increasingly by companies. More time was spent on analysing how to use these tools effectively in order to improve the productivity of employees. More resources were invested in creating user-friendly and highly scalable applications that made expert HR tools for line managers. HR professionals started supporting business execution in a more active way. The focus was more on how to use the talents and skills of employees to achieve the short-term as well as long-term goals of the companies.

Information Technology some systems where IT helps HRM are: Systems for e-recruitment; On-line short-listing of applicants; developing training strategies on-line; Psychometric training; Payroll systems; Employment data; Recruitment administration; References; Pre-employment checks. IT helps HR managers offload routine tasks which will give them more time in solving complex tasks. IT also ensures that a greater amount of information is available to make decisions.

The present scenario

The emergence of Human Resources Management Software The trend of automating payroll and workforce management processes began during the 1970s when due to limited technology and Mainframe computers, companies were still relying on manual entry to conduct employee evaluation and to digitize reporting.

Later, human resource management software was integrated with Enterprise Resource Planning (ERP) systems. An ERP includes analysis on profitability, inventory control, and investor relations data. These sophisticated systems were more for large enterprises with complex technology requirements.

The need for this system increased and gradually small and mid-sized enterprises started using this software for the advantages it offers. It was monitored by qualified specialists who know the technology & functionality and those who could manage compliance with law (both state and federal), streamline recruitment process along with selection processes, produce analyses, and make reports using the data for future use. Technology streamlined the entire HR cycle, from recruitment to retirement.

The first ERP system which integrated HR functions was later to be replaced by R/3 and S/4hana, introduced in 1979. This system gave users the possibility to combine corporate data in real time, and regulate processes from a single mainframe environment. Many of today's popular HR systems still offer considerable ERP and payroll functionality.

The first completely HR-centred client-server system for the enterprise market was PeopleSoft, released in 1987 and later bought by Oracle, hosted and updated by clients; PeopleSoft replaced the mainframe environment concept and gained a huge popularity that preserved it on the scene for many years to come. The system is still active today, while Oracle has also developed multiple similar BPM systems to automate essential corporate operations.

Web-Based Human Resources Management Software

Beginning with the late 1990s, HR vendors started offering cloud-hosted HR solutions to make this technology more accessible to small and remote teams. Instead of a client-server, companies began using online accounts on web-based portals to access their employees' performance, and track accomplishments regardless of their location.

The beginning of 2000 marked a new and advantageous concept in HR development. More and more systems were tackling specific tasks such as recruitment or benefits administration, including best of breed systems that replaced the one-size-fits-all ERP + HR formula.

HR Management on cloud

Cloud computing has been the buzzword in the IT industry for a decade now. It has become central to technology – it's not a concept for the super nerds but a tool that industries left and right use to gain an advantage. Cloud computing has even reached the Human Resources (HR). The cloud computing revolution has transformed small business HR software and its impact has been profound and beneficial.

A cloud-based HR Management solution requires no maintenance, infrastructure, or storage space. In the last two decades, HR systems have re-invented themselves to come a long way from the mundane activities of industrial relations and labour to a highly engaging and communicative HR management system.

Some of the biggest advantages of a cloud computing HR system are that it does not need ultra-fast connections and costs are low. A cloud computing HR system allows different people in a company to access different applications like online

recruitment system, online project management, and so on from a single interface.

HR system on cloud takes over from recruitment, induction, employee database, performance management, appraisals, payroll, and others.

Mobile Human Resources Management Software

In 2014, companies used the benefits from the cloud hosting milestone to transfer HR functionality on mobile devices. Ever since popular vendors have been releasing special Android and iPad/iPhone applications to meet the needs of all teams and businesses.

Human resources goes digital

HR departments are seizing ownership of IT systems to achieve business outcomes and drive organizational change. The world of HR is changing. While HR professionals will always require a deft touch for managing people, they must increasingly achieve business goals by harnessing the possibilities of digital technology.

HRM systems in many organizations are being migrated to cloud platforms rather than being housed on premises. Thanks to cost-effective and user-friendly SaaS applications, IT departments are no longer the sole repository of the skills required to manage HR computer systems and implement software changes. Digitization is blurring the line

between IT and other business functions, and HR practitioners can now become IT systems experts.

As this process accelerates, HR departments are not only expected to manage the IT system changes associated with optimizing business processes and structures. They are also responsible for creating the roadmap and deciding what functionality to deploy into their live environment and when.

This may require HR to gain more technical expertise. A support team could be enlisted to manage the ongoing configuration and functional software updates that are offered by vendors up to four times a year. Fortunately, today's cloud-based SaaS applications are so advanced that they can be implemented as a whole-of-HR solution. In many cases HR may require customized reports to be built to meet unique reporting requirements. While this can add complexity, these can be developed from within the application by HR or other end users.

Many vendors offer their customers' access to forums where challenges can be brainstormed, solutions shared and product enhancements suggested. Workday attributes its 98% customer satisfaction rate to establishing this type of collaborative community.

Overall, enabling HR departments to seize greater ownership of IT makes sense in a world of digital disruption where business structures and support systems are in flux. Many organizations prefer to remain flexible and not set staffing structures in stone. Under this model, HR coalesces employees around joint goals and autonomous, collaborative teams, instead of discrete positions with tight job descriptions.

As technological advances continue to shape and streamline the way business is done, the role of human resources is changing. While the thoughtfulness and personal touch of the human element can never be replaced by a machine

Human resources becomes decentralized

The role of human resources in a decentralized system is fairly similar to that in to a centralized one. However, the way in which HR operates is quite different. Activities are more spread out in a decentralized system, as each business unit or store HR manager oversees its own HR processes as opposed to having a centralized human resources department managing all activities for the organization.

Each approach offers pros and cons.

• Hiring and Firing

In a decentralized system, hiring and firing decisions are made at the local business unit level. This cuts down the number of interviews and time involved in hiring new employees. It also allows the local manager to hire based on the needs and expectations in his local market. A drawback is less consistent oversight on legal processes in hiring and monitoring bad behaviour, which could lead to discrimination or wrongful termination claims. Coordination among business-level HR personnel in how they implement these processes helps avoid such issues.

• Payroll

In a decentralized system, payroll checks are issued by each business unit rather than from central headquarters. This typically means employees receive payments sooner because their pay checks or direct deposits occur closer to where they are issued. Local managers may more control over pay decisions with new hires and raises for existing employees. When decisions are made, they are more easily implemented in the payroll system because there are no requirements for communication with a central payroll department.

• Policies and Training

The ability to develop sensible policies and training for local stores is a primary benefit of decentralized HR. Human resources professionals in each area can evaluate the laws, ethics and business norms in their territories to create policies and training processes that work. Different levels of available talent and different customer bases in each market also give credence to the idea of having training procedures tailored to the needs of each business unit.

• More Generalization

The nature of work for HR professionals is usually more generalized in a decentralized system. Whereas centralized operations usually have specialists for benefits, policies and hiring, decentralized HR professionals usually must oversee all aspects of human resource management. In smaller companies, local business units may have only one or a few HR professionals. This means each professional needs a broader range of educational and practical experience than those in a more specialized role.

Digitization decentralizes HR activities to users and embeds them in the business. Digital HRM solutions give more power to users, making many tasks traditionally managed by HR redundant. For example, employees and line managers can review and action work-related administrative tasks in the same flexible and convenient way they run their lives as digital consumers outside work.

Just as people don't need a tutorial when accessing a new app, booking a holiday online or processing a bank transfer, an organization's employees expect similar ease while managing an expense claim or processing an annual leave request.

Employees, especially younger 'digital natives', often perceive consumer tools as more enjoyable

and intuitive to use compared with those provided by their company. Digital HRM solutions recognize this. They invest significantly in ensuring a great user experience when employees view reports, or go back to view, edit and action transactions. Equally, these systems are so easy to use that managers do not feel as if HR work is being forced on them. Rather, it is experienced as a natural extension of their role.

Inevitably, there are cases where a workforce may not be ready to shoulder full employee or manager Self-service capability. These organizations should identify functionalities that can be phased in gradually and managed through a robust change and training program.

Future with HR management software

Regulations regarding employment and benefits might become more complex due to newer and more complicated rules and competition of businesses in the market. New technologies will come up to meet several demands of employees and businesses. Affording new technologies can be difficult for all; in-house HR management may downsize and outsourcing may increase. Strategic thinking will be HR's new competence and it cannot be outsourced. It will use analytics and data to augment its value. In the future HR might have to tackle challenges of managing a remote workforce to encourage employees to be productive.

Human resources win over the boardroom

HR has become integral to growing top line performance.

HR departments have truly come of age around the boardroom in an era of digitization. Increasingly, they can bring the same high level of rigor to decisions involving workforce management and talent acquisition that is evident in other business areas such as finances, operations, marketing, and procurement and maintenance.

HR owns the system of record, providing visibility into an organization's global workforce – backed up by hard numbers, interactive dashboards and substantive insights.

Equipped with the ability to convince with data, HR no longer deals in "what if" scenarios anymore. It can now confidently answer the questions that business partners ask. HR can also recommend priority initiatives that are likely to impact productivity, customer experience and cost management – and thereby increase top line performance.

The advanced functionality and mobile accessibility of digital HCM solutions are even allowing HR to overtake other business functions. These parts of the organization are now looking enviously at the global, intuitive and data-driven way that HR operates and saying: 'We want what they have'.

Human resources adds value

As HR becomes technology-based, it can help strategically position the business.

Organizations once streamlined their HR model to cut costs and improve efficiency. While the automation of some basic aspects of HR administration has largely succeeded, this is no longer enough to assure a competitive advantage. In a digitized world, HR departments are expected to contribute data-driven insights that help manage the workforce and strategically position the business.

The evolution of HR's role – from adding Efficiency and effectiveness, to adding value – is seen in the table below.

Efficiency:

•Reduce HR administration and compliance costs

•Improve service and access to data for employees and managers

Effectiveness:

•Streamline HR processes and reduce administrative burdens

Value:

• Compete more effectively for global talent
• Provide real-time metrics to allow decision-makers to spot trends and manage the workforce more effectively.
• Enable HR to transform so it can play a more strategic role in the business

What are the challenges businesses face in HR operations?

For large businesses, it is impossible to manage hundreds of employees, vendors and finances manually. They require custom HR software to boost efficiency and automate their routine tasks.

HRMS software can become a boon in managing and mitigating diverse business challenges. Its features can reduce errors and help the recruitment industry with single dashboard and analysis.

• **Finance**: Managing payroll, payments and salaries is serious work. So, from on boarding to expense and from salaries to payments, not having a robust HR management system can throw nasty surprises for everyone. One small mistake and the entire operation will go downhill.

• **Mobility**: Ability to access records and data on the go is a serious impediment. Not having a mobile app for mission-critical tasks like leave application, tracking devices and scheduling shifts will deter users. It becomes difficult to sync real-time data for attendance, leaves and other tasks an HRMS does not have a mobile application.

• **Performance**: Every employee has their own expectations. Creating KRAs and KPIs for them is a must for any HR information system. At the time of appraisals, not having a performance management module can cause distress among employees. Not being able to manage evaluation will invite chaos and serious trouble.

• **Self-serve dashboard**: Maintaining documents for employees at a central location is important and tricky. It needs to be easy for reading and retrieval for information sharing. Allowing employees to set their own goals require HR moderation and interventions regularly.

• **Recruitment**: End-to-End recruitment cycle is a nightmare for most recruitment experts. It lists salaries, policy inductions and many other hiring-related report submissions. It requires listing openings, candidate screening and hiring that adds complexities to an already sensitive process.

• **Vendor**: Suppliers and vendors need separate arrangements for both payments and management. Integrating taxation and compliance to vendors add another level of complexity and burden. Getting a perfect vendor management module is imperative for any Human Resource Portal development.

The focus on HRM is now moved to the strategic utilisation of employees and the measurable impact of employee programs over business. Nowadays successful companies need to be adaptive, resilient, customer-centred and quick to change direction. Within such an environment the effectiveness of HRM is crucial to business success.

Benefits of Document Managment System
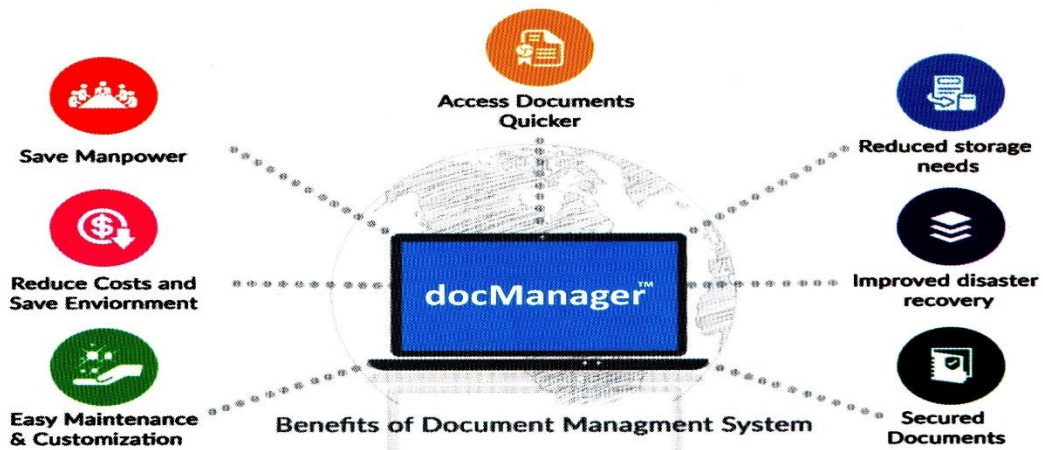
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