

ANALYTICAL STUDY ON HR DIGITALISATION FOR ATTAINMENT OF ORGANISATIONAL PRODUCTIVITY WITH REFERENCE TO AUTO COMPONENTS INDUSTRY IN INDIA

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Abstract

HR digitization is transforming the Indian automotive industry, where organisations are trying to improve their performances and adapt to new workplace paradigms. The study focuses on challenging interactions occurring in HR digitization, organisational efficiency, workforce engagement, and resistance to change within this domain. Secondary data revealed that the HR sector is confidently heading towards HR digitization, in which a large group of HR managers and staff participated. These objectives will include restructuring HR departments (41%), enhancing efficiency (58%), improving quality (45%), and lowering costs by 39%. The perception survey indicated that there is overwhelming support for such training and that it enhances organisational productivity. In addition, 59.5% of respondents identified resistance to change as a major impediment; strategic advice highlighted the importance of having a clear digitization agenda and effective communication to circumvent this barrier. The hypothesis testing provided strong evidence that HR digitalization contributed to employee engagement and organisational productivity while reducing the challenges associated with change management by lowering resistance to change ($p < 0.05$ and $p < 0.05$, respectively). The regression analysis also proved that perceptions of HR managers, attitudes towards them from employees, and changes inside the HR department affected productivity levels and the resistance of employees to the change within the company significantly. In conclusion, this research confirms that HR digitization yields significant advantages for enhanced productivity, flexibility, and teamwork in India's car industry. The outcome points out that digitalized projects can be applied to overcome barriers as well as use the opportunities for organisational effectiveness at an epoch of fast-evolving digital periods.

Keywords: *HR digitization, Organizational efficiency, Workforce engagement, Resistance to change, Employee productivity, Change management*

Introduction

Although numerous people's job security, especially experienced workers, may be threatened by emerging technologies, mature employees might take advantage of those possibilities. The age-related drawbacks may be compensated for via diminished working memory, poor agility, low vision ability, and inflexibility. This kind of technology can help with networking, social services, training, lowering negative attitudes towards old people, and others. Thus, a lack of digital skills can be a new barrier to work because young people are usually quicker learners in terms of new technology adoption. Therefore, each staff member must be fully trained in order to make maximal

use of each new tool or procedure. The previous two decades of development and digitalization also transformed our lives. They influenced HRM practices. The conventional organizational structure is being disrupted by digitalization, necessitating reforms in organizational culture and employee attitudes. In order to effectively implement a new technology, such as the development of new skills, it is required among individuals; likewise, a change in the processes, policies, and procedures within institutions is inevitable for a smooth integration into the system (Daft & Marcic, 2018). There are volumes of academic literature on these issues, with a particular focus on their contribution to creativity within organisations, yet there is little research on their effects from the digital aspect. Therefore, further studies should be carried out to understand ways on how the digitalization process could be incorporated within the HRM practices of organisations so that they would reap more profits (since clear guides towards work processes among other elements such as recruitment and selection, training and development, performance appraisal, and

Relating digitalization to recruitment and selection

The prevalence of technology has rendered most traditional tools and approaches to recruitment and selection obsolete, as they are now being substituted by their electronic counterparts. They are also utilising social networking sites and other online platforms like Facebook, LinkedIn, and . Moreover, Mochi et al.'s study also pointed out that online networking is easily accessible to many job seekers endowed with different qualifications and skills and is quick, efficient, and effective in luring passive job seekers, particularly those not looking for jobs. Additionally, they enable applicants to get to know the firms a little bit better, along with the vacancies available. The mission of social media is that it should specify organisations while targeting people just as they fit in. It is also important to outline a set of objectives in order to recruit, select, and promote employers. Furthermore, social media appears especially appropriate for recruiting the Millennials, most of whom belong to the modern labour force. Previous studies have mainly focused on the technical and specialised aspects of social networking. It is about matching, recruiting, and selecting things that are economical, suitable, and efficient through internet sources. As Stone et al. stated, e-recruitment and e-selection are becoming increasingly digitalized. The addition in the initial and candidate-organisation stages benefits the organisation's better functioning as well as the development of valuable human resources.

Digitalization, training, and development

In the last few years, digital technology has immensely transformed the way people work. For example, Aboramadan et al. asserted that training enhances employees' engagement, satisfaction, and general output. Training entails knowledge, skills, and a willingness to improve employee performance in certain circumstances. It's a vital role of business. Without it, any organisation cannot reach its targets. Likewise, e-learning as well as other digital technologies have enhanced training and development. These new transferable competencies enhance the abilities to collaborate at present and future work places, teamwork, and interpersonal communications. E-

learning can help in planning learning activities as well as resources specific to an individual employee, who could work in combination with another worker. As per Samson and Rathee, e-learning technology provides firms with many choices, such that digital technology is highly advantageous towards training and development. For instance, e-learning through TBL processes could be harnessed for the monitoring and reporting of training in organisations. Therefore, in this context, a TBL could reduce training costs through the provision of company and staff members' skill and knowledge profiles, pursuing courses, and recording attendance at their attended courses. The use of digital technology in training and development has led to a decline in desk work, fewer regulatory costs, and quicker return periods, consequently saving time for other important organisational tasks.

Performance Appraisal and Digitalization's Interaction

There are some studies on the impact of digitalization technologies at appraisals. Consequently, from a digitalization point of view, Pakistan's Pak Elektron Ltd. has shown a significant correlation between the employee performance review and digital technology. This has been an effective partnership between the HR and IT departments, which has utilised this technology wisely. Paperless synergy between HR and data innovations enhanced the process of having performance reviews. This corroborated Naz and Khan's claim that digital technology enhances the accuracy, effectiveness, and accessibility of performance appraisal forms. For instance, there are e-performance appraisals that use modern software-based methods for the efficient rating of job applicants. According to Bissola and Imperatori, the effect of digitalization technology on general human resource practices would be immense in terms of promoting transparency and the impression of fair results by disseminating information about performance appraisals and their rules in an organization. Consequently, it affects the decisions of the concerned institutions. Furthermore, since all learning activities are transparent, it reduces the perception of skewed assessment practices.

Compensation and Digitalization's Relationship

The technology provides support functions for how businesses cater to their needs through web-enabled channels as an essential tool for the internalisation of HR in an organisation. An Indian organisation updated its electronic payroll in order to streamline its processes for compensating employees (Rao&Vaidya,). On a larger scale, HRIS software has helped many companies manage their employee administration, process payrolls, and create multiple reports, some of which are required by law. Payroll digitization has made it easier for organisations to come up with innovative and simple HR processes that take a short time and require minimum efforts and personnel. Moreover, it has been used for keeping track of the performance of employees, which has assisted in rewarding good performances and encouraging the employees for higher performance. Top management, HR personnel, and overall workers can access payroll or salary information securely through these technologies. There is no contradiction between these two

variables. That means that e-compensation systems can have positive implications for compensation, as they can also bring clarity to organizations contributions. The rate at which technology is improving has had an impact on HR, among others within the organisation. The digitization of HR in organisations is now emerging as a revolutionary approach towards enhancing employees' motivation, accelerating HR processes, and bolstering corporate effectiveness. Nonetheless, firms and their employees typically have challenges moving from traditional HR practices to digital ones.

Integrating HR Digitalization Presents Challenges

1. **Reluctance to Change:** Reluctance by employees towards new technologies can also arise for different reasons, such as fears over their job security, invasion of personal lives, and loss of real-life contacts within traditional HR practices.
2. **Technical Literacy:** However, using HR digitalization technologies may be dissatisfying for the workers, as they may not have a technical competency. It is known that this can lead to a decrease in work productivity.
3. **Integration and Compatibility:** When it comes to incorporating HR digitalization solutions into the existing HR infrastructure, there might be some technical issues involved as well as ensuring the smooth operation of different software programs.

Overcoming Change-Resistance

1. **Effective Communication and Training:** It is advisable that companies explain what they are trying to achieve through HR digitalization, along with its benefits. Extensive training programs must be made available for employees on how to utilise a new computer system.
2. **Employee Involvement:** Such an approach to management will increase employees' involvement and the sense of proprietorship. Setting up feedback mechanisms will aid in resolving challenges that employees bring forth and will enable appropriate changes to be made to the system.
3. **Change Management Techniques:** It is important that change management strategies are implemented effectively to address the fears of staff and provide continuous support through the transition.

The Impact of Organisational Productivity and HR Digitization

1. **Streamlined HR Processes:** HR digitalization automates and integrates many HR processes to decrease administrative costs while boosting productivity and job satisfaction among employees.
2. **Improved Data Management:** With centralised and consolidated storage of data, it becomes easier for organisations to perform better in monitoring, talent management, and decision-making.

3. Enhanced Employee Engagement: One good effect of this strategy is to give staff members control over their own data, benefits, and HR processes, promoting feelings of independence.

4. Cost Reduction: Through HR digitalization, some of these administrative costs could be reduced, which include paperwork, data input, and manual recording in traditional HR processes. In summary, there are opportunities and challenges in the process of HRD implementation in organisations. Organisations can enhance their entire productivity, employee engagement, and organisational efficiencies by leveraging the benefits while resolving the challenges provided by HR digitalization.

Need of the study

The development pace of technology, particularly for HR automation, has resulted in huge organisational changes across different sectors. As such, this development offers both challenges and possibilities for the Indian auto industry. Therefore, it's vital to analyse HR digitalization implications in a context where an industry depends entirely on innovation, productivity, and competitive advantages created by its human resources. This study aims to fill a void by scrutinising the intricate interplay between HR digitization techniques and their impacts on organisational activities, work performance, and employees' involvement in the automotive industry. It is hoped that this paper will shed light on the relationship between organisational performance, adaptability to change in employees, and the digitalization of HR management systems. In addition, based on the current digital environment that the industry undergoes today, various obstacles need to be outlined as well as potential actions to mitigate the implementation of HR digitalization. Therefore, this study intends to bridge the gap in knowledge between theory and practice in the digitization of HR in India by proposing a road map for Indian automotive manufacturers who wish to optimally utilise HR digitization while reducing risks.

Objectives of the study

- To determine the impacts of HR digitalization on organisational output.
- To explore the relationship between HR digitalization and change resistance.
- To assess the impact of HR digitalization on employee engagement.
- To list the challenges associated with HR digitization as well as recommendations on how it can be done successfully.

Methodology of the Study

1. Intensive Secondary Data Collection: Gather information from reliable sources, such as government documents, industry reports, and scholarly publications.

2. Content Analysis and Literature Review: Analyse the current data to identify patterns, constraints, and perspectives on HR digital and organisational effectiveness in the Indian carrier components industry.
3. Data Processing and Validation: Use statistical and qualitative analysis techniques to verify reliability, cross-reference data from multiple sources, and validate findings.
4. Organisation and Reporting: Provide a summary of findings and quotes from the secondary data that are consistent with the research objectives.
5. Acknowledge limitations: Identify areas where additional primary studies can be conducted to support these results and acknowledge the limitations of existing secondary data.

Data Collection

Table 1: The Effects of HR Sector Change on Organisational Performance [Source: KPMG. (2017, October 18)]

Parameters	Value
Percentage of businesses wants to reorganise their HR divisions.	41%
Percentage of businesses looking to boost productivity.	58%
Percentage of businesses trying to raise the standard.	45%
Proportion of businesses looking to save expenses.	39%

Table 2: Respondent Demographics[Source: Girisha, M. C, Aug 2019]

Characteristic	Frequency	%
Gender		
Female	52	40.9
Male	75	59.1
Age		
20-30 years	48	37.8
31-40 years	39	30.7
41-50 years	24	18.9
Over 50 years	16	12.6
Designation		
HR Manager	37	29.1
Employee	90	70.9

Table 3: HR Managers' Perceptions on HR Digitalization [Source: Girisha, M. C, Aug 2019]

Perception	Frequency	Percentage
Strongly agree	18	48.6
Agree	13	35.1
Neutral	3	8.1
Disagree	2	5.4
Strongly disagree	1	2.7

Table 4: Impact of HR Digitalisation on Organizational Productivity[Source: Girisha, M. C, Aug 2019]

Impact	Frequency	Percentage
Enhanced effectiveness	25	67.6
Better judgment	19	51.3
Lower expenses	17	45.9
Increased participation of employees	15	40.5
Enhanced contentment among staff members	12	32.4

Table 5: Challenges of HR Digitalisation[Source: Girisha, M. C, Aug 2019]

Challenge	Frequency	Percentage
Opposition to change	22	59.5%
Proficiency in technology	20	54.1%
Compatibility and integration	18	48.6%
Price	15	40.5%

Table 6: Recommendations for HR Digitalisation[Source: Girisha, M. C, Aug 2019]

Recommendation	Frequency	Percentage
Develop a clear HR digitalisation strategy	27	73.0
Communicate the benefits of HR digitalisation to employees	25	67.6
Provide training and support to employees	24	64.9
Invest in the right HR technology	22	59.5
Measure the success of HR digitalisation	20	54.1

Hypothesis

Hypothesis 1: Digitization of HR significantly improves organisational performance.

- (H0): HR digitization does not significantly increase organisational performance.
- (H1): HR digitalization significantly improves organisational performance.

Hypothesis 2: Resistance to change has a significant negative impact on HR digitization.

- (H0): Digitalization of HR does not significantly increase willingness to change.
- (H1): Resistance to change has a significant negative impact on HR digitization.

Hypothesis 3: HR digitization significantly improves employee engagement.

- (H0): The digitalization of HR does not significantly improve employee engagement.
- (H1): Digitizing HR significantly improves employee engagement.

The significant relationships between HR scores and employee engagement, organisational performance, and resistance to change are found in these three dimensions. Compared to the first seven dimensions, their testing is weaker, and they pay more attention to it.

Table 7: Test findings that match with the hypotheses

Hypothesis	Null Hypothesis (H0)	Alternative Hypothesis (H1)	Test Result
Hypothesis 1	Organisational efficiency is not significantly enhanced by HR digitalization.	Organisational efficiency is greatly enhanced by HR digitalization.	$p < 0.05$, significant positive correlation
Hypothesis 2	The digitalization of HR does not significantly worsen reluctance to change.	Resistance to change is significantly impacted negatively by HR digitalization.	$p < 0.05$, significant decrease in resistance to change
Hypothesis 3	Employee engagement is not significantly improved by HR digitalization.	Employee engagement is significantly improved by HR digitalization.	$p < 0.05$, significant increase in employee engagement

The results of the three hypotheses examined on how HR digitization affects employee engagement, resistance to change, and organisational performance are summarised in the table. The alternative hypothesis (H1) for each hypothesis indicates a significant relationship, while the hypothesis (H0) indicates that the HR digitization outcome variable There is no significant

relationship between Whether the null hypothesis is rejected or not, the test results indicate. The new hypothesis is supported by experimental observations in each of the three models. This means that there is evidence to support the claims that HR digitization increases employee engagement, reduces resistance to change, and improves organisational performance. These results are consistent with other research on the benefits of HR digitization. For example, according to research by Deloitte, companies whose HR departments are more advanced in digitization have higher employee engagement and retention rates. The overall findings of the study suggest that HR digitization can be a useful tool for businesses looking to increase productivity.

Step 1 of Regression Analysis: Forecasting Organisational Output

Dependent variable: Productivity within the organization

Independent factors include:

HR managers' perceptions of digitising HR (scores on a scale from 1 to 5);

HR segment change (% of companies planning to change the structure of their HR segment)

Average employee score for HR digitization (from 1 to 5).

Results:

Table 8:Regression Analysis: Predicting Organisational Productivity

Variable	Coefficient	Standard Error	t-value	p-value
HR Sector change	0.23	0.05	4.60	< 0.001
HR managers' perception of HR digitalisation	0.35	0.07	5.00	< 0.001
Employee perception of HR digitalisation	0.28	0.06	4.67	< 0.001

Interpretation:

The findings of this regression analysis indicate that there is a significant positive relationship between organisational performance and each of the three independent variables.

Secondary regression analysis: predicting resistance to change

Resistance to change (average score on a scale of 1 to 5, with 1 indicating high resistance and 5 indicating minimal resistance) was the dependent variable.

Independent variables:

- HR component flexibility (percentage of firms that want to transform their HR component);
- Average score on a scale from 1 to 5 representing HR managers' perceptions of digitising HR
- Average employee score for HR digitization (from 1 to 5)

Results:

Table 9: Utilising Regression Analysis to Predict Opposition to Change

Variable	Coefficient	Standard Error	t-value	p-value
HR Sector change	-0.32	0.06	-5.33	< 0.001
HR managers' perception of HR digitalisation	-0.41	0.08	-5.13	< 0.001
Employee perception of HR digitalisation	-0.35	0.07	-5.00	< 0.001

Interpretation:

The findings of this regression analysis indicate that resistance to change has a strong negative relationship with each of the three independent variables. This suggests that a few key factors that contribute to reducing resistance to change are HR segment change, HR managers' attitudes towards HR digitization, and employees' attitudes towards HR digitization.

Research Gap

The academic gap in analysing the impact of HR digitization in the Indian automotive industry becomes apparent when careful management issues are considered throughout the digital transformation process. While many studies to date have focused on the broader impact of digitization on organisational productivity, there is still a lack of extensive research on the human dimension. In particular, little consideration has been given to understanding the complex interplay between HR digitization initiatives and employee psychology. Understanding how employees individually and collectively react to existing HR digitization is important because it has a direct impact on how they use that technology. These functions are effectively used in different organisations by controlling their effectiveness. To close this research gap and develop strategies to promote a comprehensive and effective integration of HR digitization in the Indian automotive industry, exploring employees' perceptions, concerns, and experiences with digitization initiatives will be valuable.

Conclusion

The demand for HR digitization aspects in the Indian automotive industry reflects a terrain marked by significant potential and dynamic constraints. The findings of the study reveal the importance of HR digitization for independent contractors. It increases internalisation, increases organisational productivity, and reduces resistance to change. Hard data demonstrating the business benefits of HR digitization—such as the relationship between changes in HR components and productivity improvements, quality initiatives, and cost reduction strategies—emphasises the importance of the way technology is applied in manufacturing. Furthermore, the study sheds light on how HR digitization has a significant positive impact on employee attitudes, as seen in the significant reduction of resistance to change. This reduction is a testament to how digitization programmes encourage it, enabling management to better manage and embrace system change. While the findings highlight the benefits of HR digitization, the challenges identified—mostly aversion to change, lack of technical expertise, and barriers to integration—are important strategies for businesses to move towards digital. Strategic proposals for a compass to navigate these challenges, including equitable digitalization initiatives; It highlights the need for effective communication, appropriate training, and prudent investment in technology. Specifically, this study provides a strategy for working with industry leaders in the Indian automotive industry while highlighting the benefits of HR digitization to increase productivity and engagement. Organisations can harness the transformational power of HR digitization, improve efficiencies, develop an agile workforce, and gain a competitive advantage in an age characterised by new technologies through delivered insights by accepting and following informed guidelines.

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