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## DIGITAL TRANSFORMATION IN HRM AT TATA CONSULTANCY SERVICES: OPPORTUNITIES AND CHALLENGES

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### ABSTRACT

The primary objective of this study is on how the advent of digital technology has altered HRM practices, specifically at the Indian IT giant Tata Consultancy Services (TCS). It is crucial to examine the shifting duties and responsibilities of HR experts in light of the fast technological developments of the modern day. Human capital, intangible resources, and experience are all valued by researchers because of their importance in achieving a competitive edge through digital transformation. One hundred people were surveyed from the IT sector in the Bangalore area, with a particular emphasis on TCS employees. The study drew on qualitative research techniques, and a questionnaire was developed, to inquire about the advantages and disadvantages of HRM's increasing digitization. Researchers may learn more about the unique difficulties and prospects for HRM in the era of digital transformation inside TCS by analyzing the data and doing content analysis to isolate the overarching themes arising from the replies. Findings from this study can help TCS and other companies in a similar situation improve their human resource management procedures and make better use of digitalization to gain a competitive edge by identifying and addressing the underlying themes and subthemes at play.

**Keywords:** HRM, digitisation, digital transformation, prospects, TCS Mumbai

### INTRODUCTION

The process of transforming company practises, activities, and hierarchies to digital forms in order to benefit of newly developed technology is referred to as 'digital transformation.' Understanding the significance of digitalisation is critical in India. Some estimations place Indian firms among the best equipped in the country for the technological age. Companies in India are estimated to generate 16.9 billion dollars in yearly income as a result of digital transformation between 2022 and 2025. (Cabral, 2017). With the growing influence of digital technology, both people' working lives and HRM, which will be touched differently as a result of this technology, will play an increasingly essential role (Parry &Strohmeier, 2014). The ideal representation of digital transformation initiatives is one based on business goals. The most significant influence on commodities, procedures, and any and all parts of an organisation is the advent of new technology. Business practises in general are prone to change as a result of digital transformation initiatives, which has ramifications for such approaches (Matt et al., 2015). HRM, like commercial alliances and administrative experts, adds value to the enterprise via their roles as employee ambassadors and strategic partners. Spite of the fact that digitising is definitely having an influence on organisations and human capital, as per Bengtsson and Bloom (2017). Limited research conducted on how HR employee and staffs perceive digitalisation in practise. By examining the opinions of HR managers, research objective to fill a gap in present body of information. This study results



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contribute in a unique way by concentrating on the important components of digitalisation that must be addressed. There hasn't been enough research done in this field yet (Liu et al, 2011).

Miles and Snow (1994) came up with the term 'strategic fit' to emphasise the idea that in order for businesses to enhance their competitive advantage, they need to establish a link between the necessities of their outer world and the abilities and resources that already exist within their own organisations. This was done in order to create a 'strategic fit.' It is essential to make preparations for HRs well in advance if a firm want to ensure that its workforce is properly suited to the requirements of digital transformation. This is accomplished by first anticipating the business needs in terms of the talents and resources it will need, and then creating goals to fulfil those requirements. The department of HR follows the necessary steps to recruit and choose the essential possessions and competencies in order to fulfil the requirements of the modern era of information technology. An initial formulation of digital transformation targets is required before any attempt can be made to realise the transformational objectives of a digital era. This difference is crucial since each business will have a unique set of aims to accomplish via the process of transformation.

According to Hays and Kearney (2001), the discipline of HRM is one that is very responsive to fluctuations that occur in the environment as a whole. When it relates to the practises of humans, they discuss the ways in which technology has made such practises archaic. In today's business world, managers of HRs must adhere to well-established principles while simultaneously devoting a significant amount of their time to the management of information and the study of new software applications and programming languages (HR Information Systems - HRIS). The access to, manipulation of, transmission of, and storage of enormous volumes of data are all being impacted by recent technological developments in the field of HR. HRIS is an essential component of the Management Information System (MIS) of an organisation and contributes to the ability of the business to fulfil its HR duties. The majority of HR tasks are candidates for automation with a modern HRIS, which is something that is advantageous to firms. Because of its capacity to collect, organise, and present data for use in decision-making, HRIS has become an increasingly important component of strategic planning (Nagendra & Deshpande, 2014). The function of HRM in an organisation has seen substantial development ever since the introduction of HRIS.

According to Becker and Huselid (2006), HRM places an emphasis on the working of the company and highlights the role of HRM as a resolution of problems faced by businesses. Management of an organisation's HRs has the potent to confer cageynesson that organisation if it is carried out effectively (Schroeder, 2013). According to Payne (2010), senior management may have a tendency to see HRs as a burden on the company's budget if the HRs management does not adapt in order to handle the HR function strategically.

Bell et al. (2006) well established that the digital revolution has had a significant influence on the function of HR as well as the abilities and competencies of employees. In addition, Larkin (2017) believes that the HRs (HR) function would undergo a revolutionary change as a result of the use of digital technologies in every firm, everywhere and everywhere. As a direct result of this, digitalisation has an effect on HRM that goes beyond the simplification of standard administrative responsibilities. Real-world responsibilities associated with HRM, including as recruitment, selection, performance management, and remuneration, as well as staff motivation, workplace safety, and work design, are made easier by technological

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advancements. The progression of technology has resulted in a rise in the burden of HR departments, who are now entrusted with ensuring that the organisation's HRs are linked with the most urgent strategic objectives of the digital era.

According to the findings of Kassim et al. (2012), using HRIS is an empowering tool for HR personnel. [Citation needed] Because of this functionality, HR professionals now have the opportunity to bring more value to their work. Workers in HR now have access to a new information technology tool that might assist them in providing a greater advantage to the organisation (Ulrich, 1998). Kassim et al. (2012) state that HRIS allows for increased data accuracy and timeliness by automating formerly manual operations. It's possible that the influence of HRIS might be detected in this outcome in yet another manner. Due to the fact that HRIS systems cut down on the amount of time it takes to do activities, HR professionals now have more tools at its disposal to devote to organisational challenges, strategic issues, and organisational transformation programmes.

According to Westerman and Bonnet (2015), the use of digital technology has had a significant impact on the way in which businesses interact with their clients, the way in which they manage their internal processes, the way in which they think about their business models, and the way in which they assemble themselves as organisations. This method is all about combining several types of digital technology, such as social networks and digital applications, data analytics, and cloud computing, to bring about a transformation in the way organisations function (Kane et al., 2015). As a consequence of this, the incorporation of digital technology into corporate operations has become absolutely necessary for the continued existence of modern businesses and their ability to gain a market advantage (Bharadwaj, 2000).

Palmer et al. (2017), in their discussion of the topic of HRM in the electronic era, state that HRM has become more varied and more focused on the individuals it serves as a direct result of the advent of the digital age. As a result of this, HR managers now have the responsibility of developing challenging and varied job opportunities for young people in order to maintain the workers' interest in their profession. In light of the ongoing digital revolution, the tried-and-true methods of HR administration in companies are now being put under the microscope.

## **METHOD**

To investigate how HR managers perceive the changing nature of their profession due to digitalization, qualitative research methods were employed. A survey approach was deemed the most suitable for obtaining a comprehensive understanding of the subject. A questionnaire with predetermined answers was used to explore the impact of information sharing on the key aspects of HRM. Careful planning ensured that the survey addressed the most important issues and facets of HR.

The participants in this study were HR experts from 100 information technology organizations located in Bangalore, India. Known as India's Tech Sector and the country's IT capital, Bangalore is home to numerous successful technology and software companies, including Tata Consultancy Services (TCS). A random sampling method was utilized to select the 100 organizations, representing both the private and public sectors. HR directors in each organization were contacted via email, providing a concise explanation of the survey's objectives and requesting their willingness to participate in an interview. The confidentiality of the participating HR managers and their respective companies was ensured throughout the research process.



Prior to conducting the interviews, the researcher sought permission from the sampled participants via email and sent them the survey form, which consisted of closed-ended questions. Following the participant interviews, a thematic analysis approach was employed to identify the prominent key findings and the connections between those topics within the responses.

The outcomes will deliver valuable visionsof HR managers within TCS and similar organizations perceive the impact of digital transformation on their profession. By identifying key themes and analyzing the data, the study aims to shed light on the evolving role of HRM in the context of digitalization and provide recommendations for effective adaptation strategies.

## INTERPRETATION AND DISCUSSION

According to the findings of the theme analysis, when it comes to considering digital transformation, HR managers typically choose between two fundamental approaches. These are then categorized further into overarching and inherent themes. The first strategy considers the opportunities for aiding the digital transformation era, whereas the second strategy focuses on the obstaclesorganisations confront when endeavouring to digitalise their operations.

The information gathered by the survey approach may be presented in tabular form, as seen below (n = 100):

Themes	Sub-themes	Yes	No
<b>Digitalisation</b>	Do you think human resources plays a significant role in driving a digital transformation plan into action?	34	66
	Do you think digital transformation will help the company get an advantage in the market?	76	24
	Do you consider digital transformation influences e-learning?	88	12
<b>Prospects</b>	Do you think the digital revolution has complicated the process of documenting things?	94	6
	Do you think the speed of things has changed as a result of digital transformation?	89	11
	Do you think that digital change impacts the simplicity of communication?	91	9
	Do you think the digital revolution makes life more straightforward?	91	9
	Do you think there will be less need for paper as a result of the digital transformation?	96	4



	Do you think it will be easier to see the effects of digital transformation?	99	1
	Do you think improved planning is a result of the digital revolution?	80	20
	Do you think improved performance is influenced by digital transformation?	96	4
	Do you think the digital revolution has an effect on people's will to succeed?	97	3
	Do you think digital transformation affects the effectiveness of organizations?	96	4
<b>Challenges</b>	Do you think the high price of software and updates is holding down the digital transformation?	52	48
	Do you think the digital transition is hindered by the lack of human touch?	39	61
	Do you think digital change is being stymied by security worries?	47	53

In spite of the fact that adopting digital HRM comes with a multitude of downsides, as was made clearly clear over the course of the talk, the benefits of doing so far outweigh the disadvantages. The employment of communication and information technology has been a mixed blessing in terms of boosting the efficacy and efficiency of corporate operations, saving money, simplifying processes, and shortening the amount of time required to carry them out. The great majority of today's commercial enterprises have made the decision to make use of the most cutting-edge technological instruments and resources available. The advancement of technology has been beneficial to businesses, but there is a danger that publicly accessible data might be taken without authorisation and misused, which could lead to a tragic outcome. People's preconceived conceptions of how things ought to be done might also be a barrier for the implementation of digital HRM approaches. Therefore, in order to enjoy the advantages of computerised HRM, workers and managers need to shift their mentalities and appreciate the value of computerised HRM and the possibilities that it provides.

## CONCLUSION

The findings of this study demonstrate that digital transformation has brought about significant changes in HR business functions, and the collaborating HR managers expressed their satisfaction with these modifications. They emphasized several advantages, including simplified communication and record-keeping processes, reduced paperwork, easier access to information, improved planning, enhanced performance, and increased motivation. Research conducted by Matt et al. (2015) supports the notion that





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digital transformation leads to the reorganization of processes, hierarchies, and organizational structures to effectively leverage new technology's benefits.

As part of the research, each participating HR manager was asked to provide an essay describing their utilization of various technologies, including HR information systems. To successfully undergo digital transformation, it is crucial to have the right combination of knowledge (Grant, 1996), human capital (Hitt, 2001), intangible attributes (Edvinsson and Malone, 1997), and human assets. While our study revealed that active HR managers perceive digital transformation as a means to enhance the services they offer to their employees, we believe that less attention is given to the role of HR in the implementation of the digitalization strategy.

The HRM component plays a vital role in achieving the desired outcomes during the implementation of the digitization strategy. It encompasses sub-functions such as training and development, reward systems, talent acquisition, and performance management. Participants often focus on how technological advancements have contributed to their increased level of success when discussing HR practices and procedures.

In conclusion, the study highlights the revolutionary impact of digital transformation in HRM at Tata Consultancy Services. The advantages identified by HR managers demonstrate the positive effects of embracing digitalization. However, it is essential to acknowledge the critical role of HR in driving and supporting the implementation of digital transformation strategies to fully realize the potential benefits.

A similar pattern can be seen among the information technology (IT) companies that are located in the area under investigation. These companies are more inclined to utilise technology to streamline, accelerate, and improve their existing HR processes and procedures than they are in utilising it for data analysis and planning. According to the results of this study, all businesses who have successfully completed their digital transformation or are in the process of undergoing it make substantial use of online learning platforms such as e-learning. According to Cheng, Wang, and Mch et al. (2014), businesses are increasingly adopting e-learning due to the benefits it provides in terms of efficacy and just-in-time delivery. One additional effect that has occurred consistently is an increase in the quality of communication among all organisations. The findings of this research provide credence to the association that was discovered by Attaran (2003) between digitisation and communication.

Due to the low number of participants in the sample, it is not possible to generalise the findings of this research. This is a limitation of the study that was carried out. As a consequence of this, one suggestion for next research is to make use of larger samples in order to investigate how the role of HR is evolving in the digital era. It is also recommended to do research on topics such as the function that HR plays in assisting digital transformation and the manner in which this digital revolution has impacted HR practises. An additional suggestion is to investigate the use of advanced analytics in the workspace as well as the utilisation of data derived from HRM systems to have an impact on workplace strategy. Studies may also be carried out on the results of such programmes, and this is possible even in the case where e-learning is used on a large scale by the companies that are taking part in this study.

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