

## **Automating HR Functions and Digital Skilling**

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### **ABSTRACT**

*Human resources departments in modern businesses are responsible for a wide range of strategic tasks, from recruiting to firing staff. Globally, businesses are currently investing in HR automation solutions to streamline and optimise these processes. HR automation is the use of technology to improve an organization's HR functions. The successful implementation of these technologies is anticipated to alter the HR procedure. It's possible that the tried-and-true approaches of managing staff will become irrelevant and inefficient. In enterprise content management, the human factor is crucial and must not be disregarded. As a result, companies are automating HR in an effort to increase HR productivity. With proper implementation, HR automation may help firms efficiently drive growth in their bottom line. In addition, it enables a shift in the duties of human resources experts by freeing them up to concentrate on strategic initiatives such as personalised services for employees, professional growth, and innovative workplace layouts. Therefore, in this chapter, we will examine the numerous HR sub-fields where automation can be applied to boost HRM procedures.*

**Key Words:** *HR Automation, Employee on boarding, Time management, Pay roll, Performance Management, etc.*

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### **I. INTRODUCTION**

Human Resource Management and Processes are an important element of every firm. Human resources handles issues related to employees, including hiring, onboarding, offboarding, training, development, payroll, timekeeping, vacation, and sick time, and general well-being. Human resources are crucial to the smooth running of any organisation. Human resources departments face a mountain of paperwork and bureaucracy when carrying out these tasks manually. The advent of HR automation has provided a lifeline where none previously existed. HR automation techniques have the potential to streamline the majority of HR duties, boosting businesses' productivity. Onboarding, payroll, timekeeping, and benefits administration are just some of the HR processes that may be streamlined with the use of human resources automation software. Staff in human resources are freed up to focus on longer-term, higher-value projects as a result. Additionally, it increases productivity and security while decreasing the possibility of human error. HR automation has developed in response to the time and paper requirements of regular HR processes. If the HR professionals on your team are spending more time on paperwork than contributing their unique skills elsewhere, you may want to rethink your approach to getting things done. The organisations, while switching from a manual method to HR automation demand a specific amount of skill and training in using the technology. The costs to the business in time and money are outweighed by the benefits to employees from HR automation.

Human resource automation is the practise of making HR departments more effective by relieving them of low-value, repetitive chores so that they may instead devote their time and energy to more strategic, decision-making endeavours. Experts in human resource management can automate many mundane HR tasks in order to streamline data acquisition, development, and updates for employees. Due to this, businesses will be more efficient, rule-driven, and straightforward.

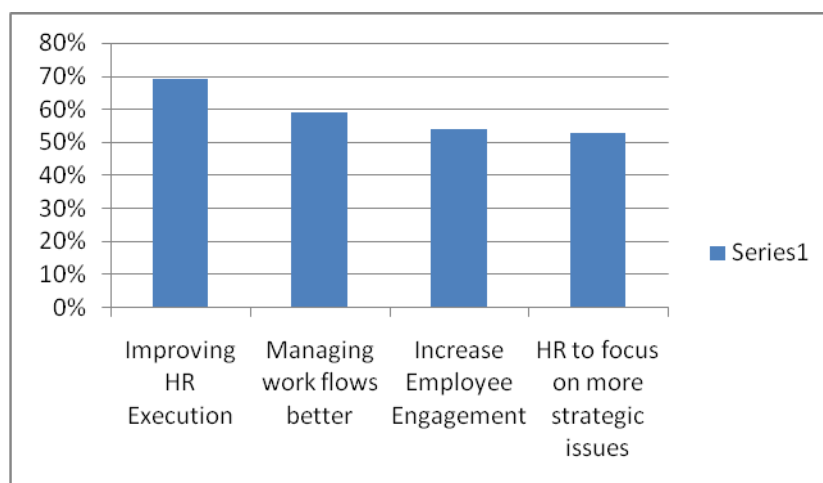
#### **HR Automation's Advantages:**

The primary benefit of HR automation technologies is the time they provide. Human resources process automation expedites processes by eliminating routine, manual steps. Organizations large and small have all cited the following benefits to HR automation:

- efficient, streamlined processes

There will be more accurate data for better decisions, more effective record-keeping, better allocation of resources, higher output, and consistent procedures everywhere.

Chart-1 Firms Core Goals of Investing in HR Technology



Source: People Matters

## II. REVIEW OF THE LITERATURE

The majority of researches suggest that HR automation aids in attaining four primary goals such as less time spent on administrative labor, cost savings, self-services, and morale. According to Altarawneh and Al-Shqairat (2010); Ball, (2001); Martinsons, (1994); Ngai and Wat, (2006); Ruel et al., (2004), HR automation streamlines the administrative processes, eliminates errors, and repetitions, and these applications assist HRIS in cost and time reduction processes, as well as increasing task efficiency. Cedar (previously The Hunter Group) research showed that HR automation reduces HR administrative costs by 60 percent on the average.

According to Bersin, "The applications of AI are simply analytics applications, where the software uses history, algorithms, and data to get better and smarter over time." The interplay between AI and human competency is the most fascinating aspect of people analytics.

According to Jeanne Meister, "today's executives are experimenting with all aspects of AI in order to provide value to their firms". She also believed that HR executives are starting to test AI in order to provide better value to the business by employing chatbots for recruitment, employee services, employee development, and coaching, for example.

HR automation, according to the GIGA Information Group, may save HR managers' time by 40% and 50% on administrative tasks. According to a research by the University of Southern California's Center, HR automation helps firms to ensure 20% greater return on investment, 20% higher return on assets, and 13% higher return on equity.

According to an IOMA survey on HR management and cost control, which included 149 respondents (HR professionals) from various areas of HR processes and procedures of recruitment and hiring via web based applications and intranet; HR professionals reduced cost control by 62.8 percent and 54.7 percent, respectively.

- 62% of those who have used AI to better data-driven decision-making
- 57% of those who wish to enhance the employee experience
- 56% of those attempting to automate more tedious or repetitive jobs
- 51% of those seeking to save money expect to do so.

AI-based solutions may help HR departments establish new customization strategies to engage the technology-enabled workforce and increase employee performance by enabling quicker, easier-to-use HR services. Organizations that take a more customized, customer-centric approach to employee experience a 17 percent boost in average employee performance. Every HR procedure can use artificial intelligence to automate. However, The majority of companies are concentrating on their AI efforts on three major areas: HR operations (40 percent), talent acquisition (38 percent), and employee engagement monitoring (38 percent). Investments in AI in the HR domain will grow as the technology improves. According to the Gartner poll, 47 percent of HR executives plan to raise their investments, while 51 percent plan to maintain current investments.

Experts predict that as a result of automation, the number of generalist professionals responsible for tedious, repetitive transactional duties, such as HR generalists, would decrease. Simultaneously, more HR personnel will do analytical tasks and become more engaged in other corporate operations.

According to a recent KPMG analysis, almost all HR operations can be completely or substantially automated. Only five of the 21 roles identified by KPMG were deemed substantially less vulnerable to automation:

- People's performance in the context of the overall system design (building a high-performance work system).
- Human resources and business strategy
- The efficiency of the organization.
- Managing change.
- Relations with coworkers.

### **PURPOSE OF AUTOMATION**

Human resources (HR) is an integral aspect of every organisation that relies on paperwork all year round. Most HR tasks, such as contract signing, pay stub creation, and performance review paperwork, take up too much of a human resources professional's time. Every aspect of human resources requires paperwork, whether it's payroll, onboarding, performance reviews, or even just integrating personnel data. It's not necessary to spend all of your time on HR-related tasks, however how serious they are.

Human resources work that was once done manually has fallen out of favour. Some of the causes are as follows:

There is a greater chance of human error and security breaches; it is excessively time-consuming; crucial resources are wasted inconceivably;

The following are some of the important reasons why businesses should use automated HR solutions:

#### **• Assemble a highly efficient and productive team**

Human resource executives may save up time by automating the human resource procedures. These hours may be better spent on fundamental HR activities like employee training and coaching, conducting employee surveys, and so on, resulting in a stronger and more productive team.

#### **• Appropriate application of Intellectual Capital**

People who work in the organizations are referred to as 'Intellectual Capital.' It is critical for a business to make the most use of the talents for managing and leading their personnel. By automating HR operations, they may focus on the duties that are critical to the company's growth and development.

#### **• Decision-making that is both faster and more valuable**

HR automated solutions make it easy to perform all of these jobs better than ever before, including recruitment, application monitoring, performance management, goal setting, salary administration, and much more. In fact, reducing human participation in the functions speeds up processes, resulting in more accurate and timely decisions.

#### **• Minimize Security Risks and Human Errors**

When it comes to HR data, security plays the most significant role. Human errors and security risks are less likely with a self-automated HR system. It ensures that users are verified before transferring or exchanging secret papers, as well as reducing the risk of vital corporate documents being lost.

#### **• Improved Workflows and Team Collaboration**

Even when geographical locations are important, an automated HR solution is a preferable option for connecting with remote workers with the teams without having to worry about other difficulties. Consequently, team processes improve, and every member in the team may communicate with others at any time.

#### **• Workforce Empowerment**

Employee demands change on a daily basis. The HR personnel receive many employee requests every day that must be addressed frequently. The HR department cannot keep up with the ever-increasing amount of employee demands. Employee self-services provide a solution by allowing them to maintain their data on their own and obtain critical information whenever required. HR is not an easy field to work in. To make HR operations easier, it is always necessary to employ automated systems. If the firms are still not utilizing automated HR software, then they are missing great opportunities. There is nothing simpler than automating human resource operations, especially with the growing number of HR software companies.

### **INDIA'S HUMAN RESOURCE AUTOMATION TRENDS**

In light of the current unstable business environment, Indian companies are heavily investing in cutting-edge technologies. This is done to boost morale, boost output, and provide efficient data-driven operational solutions. This is a clear sign that HR has evolved from a purely administrative and compliance-focused role to one with significant decision-making and outsized influence in the workplace.

Employee search and hiring

The HR team spends a significant amount of time each day on the process of onboarding new employees. It is possible to automate the entire hiring process, from posting open positions to conducting interviews to providing new hires with network access. With the help of HR software, businesses may be able to save costs and shorten the time it takes to get new hires up to speed.

Keeping tabs on, evaluating, and quantifying performance are also among the trickiest jobs there are. There is a potential for multiple sources of bias and inefficiency to enter the process. However, HR automation will reliably keep tabs on the most crucial KPIs, ensuring that everyone's efforts are aligned with the company's objectives.

Automation of the hiring and onboarding processes can reduce human error, increase the rate at which teams can work together, protect sensitive information from being lost, and reveal how the hiring process is progressing in different divisions.

In the meantime, technological advancements like HR chatbots may encourage candidates to actively participate in the selection procedure. It can also address common concerns among workers, such as how to properly complete paperwork or what to expect from the new workplace.

The second step is disembarkation.

The process of off-boarding is unpleasant for everyone involved. In certain contexts, it could come out as awkward and forced. Documentation pertaining to a terminated employee's employment must be compiled and handled. In addition, all company-owned gadgets need to be accounted for, returned, and audited. Next, the terminated worker's payroll and benefits will be turned off. Automation, on the other hand, can do each of these tasks quickly, consistently, and reliably, simplifying the off-boarding process and protecting you from any legal entanglements that might arise.

There are many valid reasons for a team member to request time off, such as medical treatment, sabbaticals, furthering their education, etc. Processing individual requests for time off is a tedious and time-consuming task. The delay also makes it harder for human resources to respond and approve requests in a timely manner. Intelligent automation, on the other hand, might update the employee's leave records in real time while also delivering secure approvals. Thus, HR is better able to keep track of and swiftly accept all leave requests, making sure that everyone is happy with how easy it is.

Reports of costs

Human resources managers used to spend a lot of time poring over paper documents and Excel spreadsheets before the advent of HR automation. This is why processing the expense records of a single worker can take several days. Manual processes, despite their merits, can lead to bloated budgets and decisions that are out of date and erroneous. Before anything could be filed, the HR department would have to enter every expense into the system. The employee's superior would also need to review and give their stamp of approval. The next stop is the accounting division. It doesn't matter how big or small the claim is, this is the method.

Inevitably, the backlog will develop, leading to frustration and weariness. On the other hand, HR automation frees up HR professionals' time by doing away with tedious manual processes, which in turn reduces accounting errors.

### Compensation Received

Payroll processing by hand is extremely risky in an era of strict government oversight. Human resource automation, as opposed to manual operations, can ensure accurate computations, consistent and on-time salary disbursement, and compliance with IRS and US Department of Labor regulations.

How payroll processing can be revolutionised by automation:

Because data is input only once, at the source, data gathering is greatly simplified with automation. All payroll calculations are then assured to be based on the most recent information available thanks to this system's failsafes.

Users may enjoy a streamlined data transfer thanks to this feature. The company's HRIS might be integrated straight into the worldwide payroll system for seamless operation.

There is less of a need to double-check spreadsheets by hand and develop one-of-a-kind algorithms for crucial payroll operations thanks to automated data validation.

- Time and effort saving task scheduling and assignment thanks to automated completion of routine payroll duties.

Since these benefits exist, processing windows can be made much shorter and more effective.

Set a schedule

If your company is using paper timesheets, it's safe to assume that employees are entering their hours worked at the end of the week. This approach of tracking time is inaccurate because not everyone can remember everything that happened throughout the day. Without indicating any malice, it is unreasonable to expect people to remember out-of-the-ordinary occurrences like traffic, doctor's appointments, picking up kids from school, and so on. Payroll-related headaches may arise in the absence of such automation.

#### Wages and Benefits

Employee benefits may be in a constant state of flux for each employee over time due to life events, open enrollment, and other factors. Managing employee benefits on paper and by hand is a huge pain. As a result of rising costs, it is time to implement HR automation to save money on benefits administration.

One possible advantage of an automated platform for managing benefits is less time spent on the following:

The process of determining who is entitled to receive benefits has been automated.

As well as letting current employees make adjustments to their benefits packages, our company has: • educated new hires and prospective employees on the wide range of employee benefits available; and • attracted and retained talented people.

#### File your taxes

For many companies, filing taxes and complying with tax regulations is a draining and time-consuming process. HR automation, on the other hand, may speed up your company's expansion. By using this web-based programme, you can ensure that all sales and use taxes have been properly applied to your transactions. Payroll taxes can also be processed automatically, albeit this will vary from state to state.

#### Administration of Records and Documents

The time and effort spent by workers searching through years of paperwork to find specific information can be greatly reduced by switching to a computerised records management system. Employee information could also be sorted according to functional areas for quicker retrieval.

Many executives may be able to work in tandem on the same documents using a cloud-based decentralised Records Management system, for instance. When important paperwork is missing, it can alert employees immediately.

#### Performance management

Continuous performance reviews are being implemented by many companies in an effort to boost staff output. Regardless of the time of day or night, HR automation in this area guarantees that managers will always have access to accurate, timely employee input. Managers now have access to transparent goal-setting and human resource-planning technologies. This raises honesty, encourages cooperation, and increases output.

#### Eleventh, the value of ongoing study and improvement

The usage of technology has streamlined the training and education processes that fall within the purview of human resources. The use of AI and VR (virtual reality) in HR automation has allowed for more individualised training programmes with higher completion rates. Automating HR processes makes recruitment easier, and the right HR analytics technology helps managers anticipate shifts in the labour market.

#### Network analysis and visualisation

Organizational linkages can be better understood and measured with the use of data analytics. Individuals and organisations are portrayed as nodes, and the links between them as the interactions and communication among them. Some Indian businesses are using the visual information supplied by this sort of social network study to have better grasp how workers interact with clients. HR uses this as one of many automation solutions to guarantee high-quality content management across the company.

### **THE FUTURE OF HUMAN RESOURCE AUTOMATION**

The good news is that, for the foreseeable future, all of the most important human resources duties will still be performed by actual humans. Until automation and AI are capable of doing so, humans will continue to play a pivotal role in shaping the future. This begs the question, though: what kind of human beings are these? The performance of human resources departments may depend on how quickly and effectively their employees adapt to the new power dynamic brought forth by automation. As HR services become more reliant on cutting-edge technology and data, executives and professionals in the field will need to brush up on advanced management principles like statistical interpretation (and production), evidence-based decision making, and hypothesis testing.

A Chief Human Resources Officer (CHRO) is becoming an increasingly valuable member of the executive team as businesses place greater emphasis on strategic human resources (HR) initiatives. Automation is quickly becoming one of 2019's most talked-about technologies, and its ascent shows no signs of slowing. In order to take advantage of the opportunity before it grows too huge or difficult to adopt, every modern leader must implement HR Automation now, while the learning curve is still manageable.

### **III. CONCLUSION**

Human resources information systems (HRIS) are modern aids to HR operations. HRIS must be of full service throughout the entire management cycle. The automation HR system should be user-friendly so as to attract a sizable user base, and it should also reliably integrate all HRM-related processes. Human resource management (HRM) functions include personnel administration, qualifications and employee training, career advancement, job analysis, the recruiting process, and employee self-services can only be effectively managed with the help of web-based technology. All companies need to implement SaaS-based HR technologies so that workers can do their jobs from home or elsewhere in the office. They can get knowledge more easily and keep it up to date, which can be useful in the long run. It offers businesses a reliable means of keeping sensitive information safe.

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