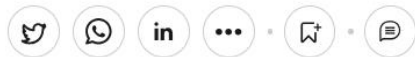


The Role of HR in Digital Transformation and Driving Cultural Change

Organizations recognize that the integration of digital technologies is no longer limited to a specialized IT department. It now influences the functioning of operational units across businesses.



Arundhati Ashoka · ETHRWorld Contributor
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Arundhati Ashoka, Global Human Resource, CriticalRiver

Digital has become the catalyst for transformation across industries, and the trend is gaining momentum. Apple's iTunes revolutionized the music industry within approximately five years, while Airbnb and Uber profoundly reshaped the

hospitality and transportation sectors in just two years. Organizations recognize that the integration of digital technologies is no longer limited to a specialized IT department. It now influences the functioning of operational units across businesses.

No surprise that Human Resources (HR), too, plays a pivotal role in implementing change management strategies and ensuring the consistent adoption of digital culture. Significant workplace trends are making it vital for HR to shape a company's digital identity, including:

- Increasing adoption of technologies related to data analytics, cloud, social media, mobility and cybersecurity
- A diverse workforce comprising both millennials (the first-generation digital citizens) and Gen Z
- Convergence of work and life for hyperconnected employees
- Business models stressed by digital disruption

Aligning vision and digital initiatives for an organization

Broadly, the three areas where HR in digital transformation can contribute to the success of an organization while fostering innovation and agility are:

1. Restructuring the workplace to fit in digitalization

HR leaders must align their understanding of digital's implications for the company and its integration into existing business models. This synchronization enables the creation of a framework that leverages the future digital potential of people, processes and technologies. HR's role is to identify necessary capabilities and determine their implementation within the organization. The key areas to focus on while fostering innovation and agility with digital culture are:

- **Approach:** When the business is adapting to new ways of working in the digital age, which methods will drive value for operations?
- **Planning and operations:** How will digitalization be planned, executed, monitored, and tracked across teams?
- **Product and service development:** Which technical solutions will help to improve revenue-generating business products and/or services?
- **User experience:** What capabilities are necessary to understand customer needs?



Once the necessary capabilities are identified, HR assists in connecting them to specific tasks and responsibilities within the company. It is essential to assess the skill gap between current and future roles and find strategies to bridge that gap.

2. Streamlining the digital talent lifecycle

HR ensures that talent management aligns with the organization's digital strategy. Finding the right digital talent can be challenging, as individuals need both technical skills and the ability to fit into the company's work culture. For instance, while Gen Z workers are adept at embracing technological advancement, they often lack essential soft skills due to their preference for online communication. To address this, HR may need to provide mentoring opportunities for interpersonal collaboration, allowing young digital natives to develop their careers and become valuable assets within the organization with the guidance of more experienced senior employees.

The role of HR in digital transformation also involves upskilling the workforce to align with the organization's cultural shift. A progressive digital culture values autonomy, creativity, and resourcefulness, fostering trust, openness and agility. It is designed to inspire exponential performance improvements.

Enabling remote work has become a prevalent approach for companies to cultivate a digital culture in the aftermath of the pandemic. Nonetheless, this can lead to feeling constantly connected and overwhelmed for certain employees. In this context, HR's role is to ensure employees' wellbeing by monitoring and supporting them. HR should also offer equitable opportunities for employees to contribute positively to digital initiatives and recognize and reward their efforts accordingly.

3. Empowering digital leaders

Organizations that continually record success with their digital transformation initiatives have leaders who possess the following:

- A deep understanding of digital developments
- A visionary attitude to create disruptive solutions
- A champion outlook to gain buy-in for digital initiatives
- Financial acumen to quantify the return on investment in digital tech
- Skills to effectively head and supervise digital teams

HR plays a crucial role in fostering leaders with such relevant traits and providing them with the necessary resources to enhance their management abilities. Additionally, HR must recognize the importance of developing sustainable digital capabilities internally, which requires initiatives such as people development, clarifying roles and skills, and fostering a culture of lifelong learning and feedback. In promoting communication and collaboration in digital transition, conscious efforts should be made to leverage diverse skill sets for effective problem-solving.

HR in Digital Transformation: The Catalyst for Business Success

In today's rapidly evolving digital landscape, the management of digitalization is imperative for the survival and growth of businesses in highly competitive markets. As every player in an organization adapts to this transformative journey, HR emerges as a critical driver, translating strategic goals into competencies to sustain business success.

These "people professionals" must further augment their digital transformation approach with agility and scalability, enabling the organization to consistently revamp its technological capabilities and stay ahead of the curve. With HR at the forefront, businesses can thrive in the digital era and embrace a prosperous future.

The author, Arundhati Ashoka, is Global Human Resource at CriticalRiver.