DISRUPTIVE TECHNOLOGY AND STRATEGIES FOR HUMAN RESOURCE MANAGEMENT

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Abstract

The cornerstone of this research paper is the highlight on disruptive innovation in technology for bringing about entrepreneurial human resource management. Therefore, the main purpose of this paper is to introduce the concept of Disruptive innovation and need of disruptive practices in Human Resource management.

The review of literatures on innovativeness in Human resource management practices comprise of the significant part of this paper, the survey conducted for the study focus on challenges posed by information technology to human capital, derive the implications of disruptive HR in people management practices in organization and the final intention is to develop recommendations on how information technology gaps in human resource management can be filled.

Key words: Disruption, Disruptive innovation and Disruptive HR, Technology

Introduction:

The use of terms Disruption, Disruptive innovation and Disruptive HR are becoming popular in modern organizational development context. It can be considered as a fad in recent people management philosophy as it is gaining momentum with spread of innovative technologies and practices on larger scales making organizational interactions flexible, transparent, productive and proactive.

Disruptive Innovation:

The term Disruptive Innovation was coined by Harvard Business School Professor Clayton Christensen in 1995. Disruptive Innovation is “an innovation that creates a new market by
applying a different set of values, which ultimately (and unexpectedly) overtakes an existing market”. According to Christensen’s research, over time, successful products becomes complicated and expensive and consequently niche. That leaves a huge opportunity for innovative companies to introduce a simpler and cheaper product to the mass market. According to him, “complacency is the disease of the successful. Disrupt ourselves before the market disrupts us.” The very same principle is applicable to Human resource management system which is based on technology and expertise. Traditional practices of people management are insufficient to meet the demands of new generation. Technology innovations for human resource management can be applied with a defined set of values to develop synergetic values. It is time for the human resource department to disrupt themselves through policies and practices before the management and job market discards them for not delivering value or adding value.

**Disruptive HR:**

The term ‘Disruptive HR’ is proactive whereas handling ‘disruption in HR is reactive. Infact disruptive HR was created to meet challenges of the disrupted world. Disruptive HR listens and acknowledges the need of job market, talent pool and organizational goals to think out of box and to deliver additional value to themselves and to the organization. The need of Disruptive HR in organization is to develop agility, to respond and adapt to fluid market and to stay relevant and successful in competitive market conditions. Rather than being disrupted, people, systems and organizational setting need to be disruptive towards needs and demands of changing environment. Multitudes of conferences, soap boxes and articles have highlighted the term Disruptive Human Resource Management along with the badge of high impact HR. But for this target to be achieved, dramatic innovations and improvements are required in bringing about organizational learning, leadership, people engagement, maintaining employee performance and retaining best fit employees in organization.

**Literature Review:**

In 1990’s US military developed a new way of describing and understanding their environment. It was later termed as VUCA, which indicates the volatile, uncertain, complex and ambiguous world that we live in. Every innovation is a disruption and to bring out innovativeness there should be a clear understanding of the existing business scenario and environment. It is worth to
be noted that HR leaders have fought a battle uphill to change the impact factor and importance of people managers in organization in the past one decade. Barsh, Capozzi, and Davidson (2008), for example, found that 70% of senior executives identified innovation as one of their top three drivers for improving organizational performance. The key drivers of their efforts were focused on developing integrated talent management, workforce planning, introduction of HR technology and developing an easy level of comfort with social networking.

Ulrich and Lake (1990) remarked that human resource management system can be the source of organizational capabilities that allow forms to learn and capitalize on new opportunities. According to Gupta and Singhal, (1993) innovative organisations continuously seek to manage their HR effectively to create and market new products and services. In the study of Arulrajah (2014) reference is made to studies of Kossek (1987), Wolfe (1995), and Gooderham et al. (1999) which suggest that the innovative capacity or capacity to adopt innovative practices in an organisation is determined by the HRM practices of the organisation.

Tidd, Bessant, & Pavitt (2005) confirms that organizations that meet the innovation challenge out perform their competitors in terms of market share, profitability, growth and market capitalization. Armstrong (2010) has stated that human resource management is a strategic, integrated and coherent approach to the employment, development and well being of the people working in the organization.

Evidence from management research papers shows that high impact organizations work holistically for organizational development including ‘deliberately managing the innovation process; engaging in leadership practices that include and involve a diverse collection of skills, styles, and talents; and intentionally working to establish appropriate conditions to encourage and sustain creative efforts’ as mentioned by Davis (2000) based on global innovation and growth survey. In a technical report on Creating More Innovative Workplaces published by Isaksen et al (2009) the study was an inquiry and exploration on how people and place connect in an organizational setting.
Edralin (2011) conducted a study on innovative human resource management practices to understand how significantly innovativeness influence employee job involvement and organizational commitment in selected large companies belonging to the Top 1000 corporations in the Philippines. The findings of the study revealed that those companies which are extensively implementing various innovative practices related to HRM functions do enhance employee job involvement and organizational commitment. The level of innovation and disruptiveness brought about in organizational level has direct relationship with high impact employee performance, according to the study. But Santiago (2013) has observed that very little attention is paid to the study of the work environment, in which learning and innovation take place.

Bersin and Associates (2011) figured out 10 new innovative human resource practices of high impact that can change the face of people management in organization. The study was based on the survey reports and interviews with over 720 global companies and the finding was that overall spending levels, business structure and team size have far less impact on business performance than skill of HR professionals themselves. Lean and technology enabled HR teams are able to fast adapt to modern talent practices and are successful in partnering with business leaders creating impactful HR functions.

**Disruptive Human Resource technology:**

For the purpose of talent analytics, online learning, social and referral recruiting, performance appraisals etc. there has been a high rate of growth in innovative technologies in human resource landscape. The intervention of hi tech applications and software are helping organizations to manage internal communications more effectively than ever before. This has also proved to improve employee engagements and workplace wellness. Disruptive technology is creating smarter people and better working environment in employment market. Following are the innovations in people management that has change the road map of organizational development according to an article of Josh Bersin of Forbes, 2014.

1. **Employee System of Engagement:** HR systems of past were back office systems to store and manage employee data. Human Resource Managers used those data to manage the performance of employees, to deliver trainings and to monitor employees attendance. But in disruptive HR system, employees are the key users of HR systems. This has
marked a shift from system of record to Employee system of Engagement. Instead of Applicant tracking systems, employer employee interface has taken up its unique roles in making systems user friendly, informative and more interactive. Many paper based HR practices now run over online and offline systems and has changed the way a human resource management system works in organization. For example, an employee can log on to a mobile app which was developed by the company, through his smart phone and complete his daily tasks at work, monitor attendance, look for benefits and training programs for his future growth, conduct assessments and provide feedbacks with just few clicks.

2. **People Resourcing Strategy:** Employee recruitment has seen a dramatic change with intervention of tools like LinkedIn, Glassdoor, Indeed etc. Employees care now attracted sourced and hired through social media referrals. The social profile of prospective employees forms the base of referral system and selecting best fit employees through network has been a trend in market for quite some time. Through advertisement management systems, mobile recruiting tools, video interviewing tools and with the help of employment data providers like Careerify, recruiting applications are networked and tracked.

3. **Mobile Applications (apps):** According to a research conducted by Kleiner Perkins Caufield & Byers (KPCB) who partners with the brightest entrepreneurs to turn disruptive ideas into world-changing businesses, there are now 5.2 billion mobile devices and 1.6 billion smart phones, while only 789 million laptops and 743 million desktop PCs in world, which makes access to HR applications over mobile higher than that of personal computers. The firm has helped build and accelerate growth at pioneering companies like Amazon, Google, Lending Club, Nest, Twitter and Uber believes that instead of mobile versions, modern companies should rely more on mobile apps to engage with employees. Mobile apps are small, interactive, easy to use, single function systems and they works on simple swiping mechanisms, lots of feedback, and are fast and efficient. To name a few

4. **Data Driven Decisions:** Data analysis on employee recruitment and selection, employee training and performance are no longer a product but a science based solution. By adopting the process named as ‘datafying’ the HR systems, organizations are achieving 2-3x better results in hiring quality employees, developing employee talent and retaining employees. HR softwares have turned out to be commodities whereas value proposition of software has increased multifold as it helps in decision making and data analysis that drives value to organization. According to New Bersin by Deloitte research (2014) only 4% of big companies have the ability to predict and model workforce, but 90% can model and predict their financial expenses and results. Datafying of information not just helps in data analytics but also in building up of data driven informed decisions in people management whereby increasing employee efficiency and reducing employee turnover.

5. **Learning & Performance Management Systems:** Skill assessment, training requirements and competency appraisal in earlier days were based on employee’s performance evaluation. Kaisen, Cornerstone and good.co are companies that combine traditional personnel assessment with big data and “social sensing” to better understand the relationship between skills, personality, and organizational culture helping to identify best fit employees at workplace. They use data, gamified tools and social information in human resource planning and assessment. This social sensing attribute also helps employers to deliver a better work life balance for employees and ensure their commitment and engagement at work. For example, companies like Culture Amp and tiny HR, let employees offer feedback at work in real time, giving employers immediate information about work related and management issues. New learning management systems and technologies now integrate learning with talent and performance management through integrated content and expertise management.
6. **Agile HR Practices**: Introduction of high performance working system based on HRIS platforms, performance management without duress, talent innovation and review on real time basis, transparent reward management mechanisms and talent mobility from within a dynamic pool of employees promotes the culture of development planning in organization. All of the above need to be incorporated through reverses modeling to bring in a high impact culture in organizations human resource management.

The list of technology based disruptive innovations in HR is increasing day by day with the entry of new start ups with ground breaking mobile applications and technological know hows to make life of HR managers across and around the globe, better and faster. But not every disruptive innovation and practice pass the test of time. According to the Industry Trends in Human Resources Technology and Service Delivery Survey (2014) by Information Services Group (ISG), “those HR technologies succeeding over time are the ones where:

- Cloud technology is creating massive economies of scale for HR customers at the same time, reducing IT resource involvement.
- There is a user interfaces that deliver a consumer-like experience for employees and include mobile and social capabilities.
- Real-time workforce visibility and flexibility is allowed for organizations to respond to changing market conditions.
- New technologies can be integrated into surrounding business processes”.

Principles that underline disruptive human resource management are mainly two:

1. The Bird in hand principle or making things possible with the resources at hand was postulate made by Levi Strauss (1966) which signifies the need of “Just Start” approach rather than waiting for the perfect conditions to be set right.
2. Crazy Quilt Principle encourages professionals to be networking machines so that performance through high end collaborations can bring in better impact in business.

**Research Methodology:**
The research method used for the study is deductive and the approach is both quantitative and qualitative in nature. Data collection was done from working in 42 private firms across India and the sample was target group of human resource executives and managers. Data collection was done using closed end structured survey questionnaires and the objective of survey was to assess the readiness of Human Capital in different organizations to meet the current and future challenges posed by disruptive technologies in HR function. Survey methodology was to complete the questionnaires online and return by email.

**Critical Findings of Study:**

85 percent of respondents in survey agreed that organizations that they work with are committed in people development and they agreed that company is investing in training and developmental programs on a regular basis to improve employee’s performance at work.

![Organisational Efforts](image)

When it comes to employee engagement in IT skill development within organization, 37 percent of respondents stated to have participated in various programs organized by the company whereas 43 percent did not participate in the programs as it was not mandatory to attend. 20 percent did not have knowledge about the use of software and mobile applications for human resource management and about the programs organized for creating awareness. Most of the participants have attended workshops and internships for using software’s and applications for human resource management, but 58 percent admitted that these provisions rarely comes to use in actual practice.
58 percent of participants in survey identified that change management and 52 percent opined that becoming innovative/creative are the two main IT challenges faced by HR in organizational development. The reasons attributed for this crisis turned out to be lack of updated knowledge on information technology and lack of exposure to changing trends in IT used for people management.

In 81 percent of respondent organizations, the role of HR professionals has been increased for the last five years and most participants of survey agreed that the role of HR has been evolved
since the advent of new technologies in information management. The finding of survey shows that role of HR is now that of a Manager and strategic decision maker, alongside a business partner in human resource department rather than that of administrative officer.

59 percent of participants expressed the view that the role of human resource department is to facilitate attainment of organizational objectives through innovations and measures for effective people management. 32 per cent feel committed to organization as business partners for growth and development whereas 61 percent of HR professionals feel that there is a performance gap that they strive to catch up while working with the organization. Among this majority participants mentioned that shortage of strategic competencies and skills in the Information Technology makes them vulnerable in competitive environment of business.

20 percent of survey participants are updated with changes in technologies that helps in people management, organizational learning and performance assessment whereas 72 percent of employees expressed their concern and low level of confidence in electronic learning and performance management, implemented by organization at various levels. 8 percent of respondents had found that technology has not brought remarkable changes in the way human capital management is done in organizations.

A majority of 92 percent respondents consider that disruptive information technology in human resource management contributes positively towards knowledge management, employee
training, capacity building, management of employee’s performance electronically, e-performance appraisals and in house employee network connectivity.

**Conclusion:**

Disruptive human resource management is therefore the development of an innovative technologies and effective working environment by acquiring and retaining of competent workforce, adopting more productive people management strategies and by fostering better employee relations resulting in implementation of a high performance working system that acts flexibly in the organizations pursuit for excellence. The major challenges for human resource today are lack of updated information on innovative technologies and use of those applications in their daily work life. Through role of HR professionals have evolved as business partners, strategic leadership developments of HR personnels are significant for improving organizational performance disruptively.

Talent management through employee retention can be attained only through increase in employee commitment and employee engagement. It is important to openly discuss and adopt new HR measurements in organizations as part of business meets rather than offering certificates for workshop participations and seminars. Policy makers, regulators, top level management and trainers of organization need to rely on more external trainings and exposures to be updated with IT trends in industry so that adaptable and realistic changes can be brought about at the grass root level at work place.

To conclude it is important to develop a new mindset to acquire the ability for creative a disruptive environment in HR department. It includes embracing entrepreneurial human resource management, disrupting the system with a plan for talent acquisition and management, and making innovativeness a part of the human resource planning.
References:


