Study on Digital Transformation of Human Resource Management in Company W

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ABSTRACT: *Aiming at some problems existing in the current human resource management work: low efficiency of collaboration, lack of data support for management decisions, poor employee experience, etc., this paper analyzes the reasons leading to the above problems based on the existing digitalization theory, human resource management digitalization theory, taking Company W as a case study, and adopting the methods of literature research method, questionnaire survey method, etc., and finally proposes that, by clarifying the strategic objectives of digital transformation of human resource management, forming a digital talent team, and constructing a digital platform of human resource management, it can promote the digitalization and successful transformation of the enterprise in Company W.*
KEYWORDS: *Human resources management; digital transformation; digitization of human resources management*

I.   INTRODUCTION

With the rapid development and application of artificial intelligence, big data, cloud computing, blockchain and other new technologies, digital transformation has become a new trend in global development. This also means that enterprise human resource management in the digital era has ushered in a new challenge. The existence of problems such as over-reliance on the management of manual operations, low collaboration efficiency, lack of data support for management decisions, and poor employee experience will not be able to complete the work of human resource management in the digital era in the future, and the updating of the concept of human resource management, the transformation of the function, and the innovation of the talent management mechanism has become more necessary and urgent than ever before. It has become more necessary and urgent than ever to update HR management concepts, transform functions and innovate talent management mechanisms.

From the existing domestic and foreign research situation, the domestic human resource management digital transformation research mainly focuses on theoretical research, for the transformation of the practice of research and exploration of relatively few foreign and mainly large digital native enterprises, Fan Li, Hu Yongquan [1] and other proposed that the digital transformation of human resources, including the digitalization of the talent pool, the digitalization of the performance of the payroll, the digitalization of the organization, the digitization of the business process, the cultural environment, the policy environment, the technological environment support and so on. environment, policy environment, technical environment support and so on. Overseas HR digital transformation research has more digital technology application practices, but also mainly focuses on large digital and technology-based enterprises. There are fewer studies on HRM digital transformation practices in SMEs in traditional industries with a low degree of digital nativity, and the existing domestic and foreign digital transformation studies have limited guiding role in SMEs' practical exploration due to the gap between SMEs and digitally native large enterprises in terms of talents, technologies and funds.From previous review,the present study aims to experimentally investigate the solar water distillation characteristics of spherical dome as a dehumidifier surface. Parameters that can be used to measure the performance of this type of solar water distillation are also presented, investigated and estimated. The effects of some geometric parameters of the spherical dome on the performance of the solar water distillation will be investigated. The experiments have been carried out to provide comprehensive study of the solar water distillation by using spherical dome as a dehumidifier surface at different key design parameter.

This paper takes the digital economic era and enterprise human resource management as the research background, through reading the literature and domestic and foreign companies digital transformation cases, mastering the digital human resource management related theories and transformation methods, and then through the questionnaire survey method to understand the overall digital transformation status of Company W and the demand for digital transformation of human resource management, summarize the existing main

problems and in-depth analysis of the causes of the problem. Finally, it puts forward the countermeasures for digital transformation of HRM in Company W. It is proposed to solve the actual problems of low efficiency of HRM collaboration, lack of data support for management decisions, poor employee experience, etc. in the process of digital transformation of W Company.

II. Analysis of the Current Situation of Digital Transformation of Human Resource Management in Company W

Company Profile and Organization

Founded in 2008, W is a national high-tech enterprise mainly engaged in the research, development, manufacturing and sales of high-speed cables, optical modules, transceivers and peripheral communication products. The company focuses on providing customers with highly reliable and cost-effective total solutions for high-speed interconnect links in the fields of cloud computing, data centers, data communications, long-distance transmission, and wireless access. The customer base is distributed in more than 70 countries and regions around the world, of which North America is the company's largest customer concentration in order to meet the needs of business development, the company has set up molecular companies and overseas offices in Hong Kong, Dongguan, Chengdu. With the steady increase in the Company's business volume, the gradual expansion of employee scale and the geographical decentralization of its subsidiaries, the difficulty of human resources management has been increasing. In addition, due to the double impact of the U.S.-China trade conflict in 2019 and the new crown epidemic in 2020, the distribution chart of Company W's performance growth from 2009 to 2021 shows that Company W's performance growth rate in 2019 dropped by more than 50% compared to 2018, and its performance growth in 2020 almost came to a standstill. Although the company's top management adjusted its business strategy in a timely manner and under the trend of gradually easing the epidemic, the performance growth rate in 2021 has improved, but it is still far below expectations. On the contrary, Company W's unit management costs have increased rather than decreased. Against this backdrop of internal and external difficulties, Company W had to put on the agenda a plan to improve management efficiency and organizational effectiveness to facilitate the achievement of business goals.

Company W has 4 branches and subsidiaries and 1 overseas office, and has set up shared resource centers for functional HR, Finance, Purchasing, and Logistics Departments to provide unified support and services for the branches and subsidiaries, so that the whole organizational structure presents a flat distribution state. Flat organizational structure, effectively reducing the information in the decision-making level and the implementation of the layer between the transmission level, reduce information attenuation, information transmission faster and more accurate, so that employees can quickly respond to changes in corporate strategy, is also conducive to improving the efficiency of management decision-making, and at the same time, is conducive to expanding the authorization of the various levels of management to enhance the motivation of the managerial work. In addition, flat organizational structure is also conducive to reducing resistance to management change.

Status of Digital Transformation at Company W

With the gradual disappearance of China's labor demographic dividend, the competitive advantage of low labor cost that enterprises relied on in the past is gradually fading[2]. The willingness of the new generation of employees to engage in the traditional manufacturing industry has been reduced, making the phenomenon of "labor panic" occur from time to time. The battle for employees among enterprises is getting more and more intense. In order to meet the demand for production labor, company W had to gradually improve the staff treatment, in order to attract and retain employees, production labor costs also continue to rise. company W's front-line operating positions on professional knowledge and professional skills are relatively low, and the traditional manufacturing industry for the huge demand for such employees, so it is easy to form a frequent flow of labor. Frequent labor turnover increases the cost of training new employees on the one hand, and affects the stability of product quality on the other. In order to solve the above problems, Company W started the production automation upgrade. The successful introduction of the welding automated production line has reduced the number of employees in this operation position by about 70%, increased the welding capacity by about 200%, and improved the defective rate of welding and the on-time delivery of products. On the one hand, the adoption of production automation in Company W has significantly improved production efficiency. On the other hand, in the face of gradually rising management costs, improve management efficiency is increasingly urgent. 2020 the first half of the new crown epidemic by the impact of the company's performance is almost stagnant business decline, employee work saturation is reduced in order to make full use of the work of the free time, the W company executives put forward the use of digital tools to improve the efficiency of the change strategy. However, due to the lack of digital talent reserves and the lack of digital transformation methodology and experience in the use of digital transformation, and digital transformation of a large investment, the effect of transformation there are many

uncertainties. Therefore, Company W decided to purchase SaaS digital tools to realize enterprise digital transformation. Purchasing digital tools firstly reduces the high requirements of self-built platforms on digital technology; secondly, it reduces the maintenance and updating costs of Company W's digital system; moreover, purchasing digital tools also reduces the transformation risks due to the lack of experience to a certain extent. At present, Company W's digital tools are mainly used in the fields of warehousing and logistics, financial management, production planning and sales.

III. Responses to the digital transformation of human resources management

Clarify the objectives of the digital transformation of human resources management

According to the business development objectives and digital transformation strategy of Company W, focusing on the overall transformation strategic plan of "reducing costs, increasing efficiency, and creating value", the company formulates the digital transformation objectives of human resource management through the use of digital tools to gradually realize the online management process, data visualization, intelligent analysis, humanized experience, and scientific decision-making, and promotes the realization of the enterprise's overall digital transformation strategic objectives through the digital transformation of human resource management.

Process online. Through the process informationization, automation to realize the W company human resource management full module process on-line to put an end to the offline paper process randomly change the irregular behavior. Intelligent analysis. Using business intelligence analysis tools to improve the data analysis capability of Company W, make full use of structured and unstructured data in the process of human resource management, explore the connection between business and human resource management, and maximize the value of data. Data Visualization. Data visualization means using big data algorithms, machine learning, etc. to build statistical models, transforming complex management data into information, helping to discover complex statistical relationships, explaining complex business results, and ultimately demonstrating and presenting them through visualization tools. Experience humanization. Through system integration, reducing employee ports, full-process on-line, self-service, and increasing employee feedback interactions, etc., we create an experience path for the entire career life cycle of employees in order to enhance the comprehensive experience of Company W's employees. Scientific decision-making. Using digital tools to establish a statistical analysis platform to enable management to obtain timely, comprehensive and accurate human resources information, provide data support for optimizing resource allocation and decision-making, and then enhance the scientific and effective human resources management decision-making in Company W.

Formation of a digital workforce

Digital transformation, talent first, with the national digital infrastructure is becoming more and more perfect, the use of digital technology in enterprise management is becoming more and more mature. The primary challenge of digital transformation is no longer technology, but the lack of digital talent. For the construction of W's digital talent team, first of all, according to the overall requirements of W's digital transformation strategic planning, identify the key positions of W's digital transformation of human resource management and establish a key position capability model, and then conduct a talent inventory according to the key position capability model to understand the current status of W's digital talent capabilities, and make clear the gaps in the capabilities of W's key positions for digital transformation, and then, based on the inventory results, adopt the 5-point talent capability building methodology to build talents. Finally, based on the results, the 5B model of talent capacity building (Buy-Buy, Cultivate-Build, Borrow-Borrow, Promote-Bounce, and Eliminate-Bound) is used to build the capacity of W's digital talent team.

Enterprise digital transformation requires four levels of talent: digital leaders, digital management talent, digital technology talent, and digital application talent.

Digital Leaders. Digital leaders are the "hands" of digital transformation. Responsible for digital technology trends and industry insights; responsible for the development of top-level planning for W's digital transformation, providing sufficient resource support for W's digital transformation and establishing business-matching organizational upgrades. For example, CEO of the company, and other CXO positions. Digital management talent. Digital management talent refers to the type of talent that helps the digital transformation of enterprises by combining enterprise business scenarios with digital technology and thus is the leading force of digital transformation, responsible for the landing and implementation of the organization's digital strategy, transforming digital concepts and strategies into business concepts and methods, and shaping up to be the leading force of digital change in the transformation process. For example, business leaders in production, supply chain, finance, marketing, product, human resource management, etc.

Digital Application Talent. Digital application talents are positions within the enterprise that support their own work or business enhancement through the use of digital technology, and are the innovative force of

digital transformation. The ultimate goal of the digital transformation of enterprises is to serve the business growth of the enterprise, the foundation of the evergreen, the need for the digital era of business managers and business backbone to strengthen the cross-discipline digital application capabilities innovation and training, around the customer value to promote the reconstruction of business value. For example, product managers, service managers, production managers, finance/cashier, warehousing and logistics managers, sales and operations personnel, human resource management personnel, etc. Digital technology talents. Digital technology talent focuses on the construction of enterprise technology professional capacity, is the support force of digital transformation, help enterprises establish a leading digital platform, support the realization of enterprise digital transformation. For example, data architects, UI designers, solution architects, IT integration engineers, big data development and other technical talents.

Building a digital platform for human resources management

The use of digital tools is an indispensable part of the digital transformation of human resource management and an effective way to improve the efficiency of synergy.Some human resource management modules in Company W have already utilized part of the information system, such as basic employee information management, attendance management, training management, welfare management, etc., but the systems are not connected to each other, which reduces synergy in the internal system of human resource management. In addition to this, HR planning, recruitment management, compensation management, performance management and other modules have not realized the full module and process coverage of the information system, and no synergy can be achieved either within the function or cross-functional departments. Relying on the integration system, a centralized and unified HRM digital platform is built to achieve a high degree of data sharing, a high degree of business synergy, and to improve the efficiency of HRM synergy. Since the implementation of digital transformation in Company W adopts the method of purchasing digital systems and platforms, the construction of the digital platform only explores the application and deployment of the platform functions from the needs of the digital transformation of Company W's human resource management, and the specific development work is completed by the partner.

(1) Business synergy system.Through the on-line of the whole module system of human resource management, data sharing and process interoperability are realized, and the business cooperation system is set up to improve the collaboration within the human resource department and across departments. Starting from the current situation of HR management information system of Company W, on the one hand, it is to realize the full module system coverage, including the modules of organization management, manpower planning, recruitment management, compensation and performance management on line; on the other hand, it is to integrate the ports of the existing systems, including the training system, personnel time and attendance system, and welfare system.

(2) Data analysis system.The data analysis system collects HRM internal personnel system IT system data, internal and external recruitment data, training data, promotion data, compensation data, performance data, employee skills data, and cross-departmental finance, sales, manufacturing data and external recruitment by sorting out HRM data sources, establishing data coding, data classification, data templates, and other standardized data standards and management systems, social security and personal tax data, and then use business intelligence analytics tools to model and analyze the data relationships needed for human resource management to understand the latest talent-related data and data-based insights and predictions. Finally, it displays reports such as human capital analysis, people efficiency analysis, and predictive analysis.

(3) Talent development system.Talent development system provides support for employees' learning and growth as well as managers' talent decision-making, including talent standard query, talent assessment and talent maturity assessment, career development planning, talent inventory and so on.

(4) Shared services system.According to the three-pillar theory of human resources, through the construction of shared service centers, we provide employees and managers with standardized and reliable intelligent self-service, helping talents with human resource management theories and professional skills to free themselves from transactional and repetitive work, focusing on the improvement of internal customer satisfaction and taking responsibility for excellent human resource operations. Setting up a mobile single-point portal for employees solves the cumbersome operation of multiple modules and multiple entrances of HR management in the past, customizes the experience content, and realizes all-round and full-process management of the interaction between employees and the organization. In addition, the Employee Experience Portal serves as a centralized workforce analytics collection and forward-looking analysis center.

IV. Digital transformation implementation safeguards

Selection of guarantors and team members for transformational projects

The "head" of an enterprise is the first person responsible for managing change in the organization, but the "head" often does not have enough energy to manage the specific promotion of the change project. Therefore, the project sponsor is an important responsible person who is entrusted by the top manager to exercise the authority of change management. A project sponsor should be a leader who is actively interested in the digital transformation of HRM and is widely respected in the organization, has a deep understanding of the challenges of digital transformation of HRM in the organization, is able to rally the support of others, and is willing and able to secure the resources needed to carry out the project. The project sponsor is usually responsible for approving the project, providing the necessary resources for its implementation, supporting the project and working with stakeholders to ensure its subsequent implementation. The project sponsor should be involved from the beginning to the end of the project.

Transformation team members are required to carry out various planning tasks for digital transformation under the leadership of the project sponsor, including clarifying the vision for digital transformation of HRM, i.e., what the organization hopes to achieve through digital technology; a lack of clarity about what is being worked on may make it tricky to implement and track the metrics of success of the digital change; articulating the necessity and urgency of the transformation; defining transformation success criteria; and enlist the support of managers and employees through communication between the core team and employees; and identify resistance to the transformation and develop measures to eliminate it. For example, digital transformation puts new demands on employees' job skills, requiring the transformation team to identify the new skills that managers and non-managers need to adapt to the transformation to ensure that employees can imagine that they will use the new tools to stay on the right track, and to develop appropriate skill enhancement programs to meet the transformation's demands on employees' skills; otherwise, they may cope with the situation out of helplessness and resort to their previous methods.

Building Digital Leadership

As strong leaders of enterprise digital transformation, digital managers are often composite talents who understand business, technology, and management[3]. Digital transformation brings two challenges to managers. First, the leadership decision-making precision, digital transformation requires that the leader's decision-making and demand for accurate connection, which is extremely difficult challenge. At the same time, it also requires leaders to create the conditions for tracking the implementation of decisions, and ultimately realize the ability to accurately predict and control decision-making risks. The second is the platformization of leadership activities. The platformization of management requires enterprises to improve synergy, and the ability to integrate various internal and external resources has become a key ability for the development and growth of enterprises.

In response to the question of what characteristics and competencies digital leaders need to possess, Gerald Kane and other scholars conducted a 2016 study on digital leadership with a sample of readers of MIT Sloan Management Review and Deloitte's webcast subscription clients. The data from that survey revealed that over 70% of respondents identified transformational vision, forward-thinking, understanding technology, and a change-oriented mindset as the most important traits and competencies to lead their organization's digital transformation to success, with 22% selecting transformational vision (including understanding markets and trends, and business acumen that is problem-solving oriented) and 20% selecting forward-thinking (including clear vision, clear strategy, and visionary), 18% chose understanding technology (including past experience, digital literacy) and being change-oriented, including being open-minded, adaptable, and innovative, and 11% chose being a strong leader (including being pragmatic, focused, and decisive) and others, such as the ability to collaborate and build teams.

Emphasis on employee information privacy protection

In the era of digital intelligence, the use of social media and network tools makes the acquisition and utilization of personal data more convenient and unnoticeable, and due to the specificity of network data and the imperfection of the management mechanism, privacy is very easy to leak. The use of big data technology for enterprise management and operation to provide assistance at the same time also increases the risk of information leakage, the enterprise's internal employees' private information, once obtained by lawless elements, will seriously affect the work and life of employees. According to data from a survey conducted by IBM in 13 countries and regions, 64% of respondents said that after hearing about several scandals involving the misuse of consumer data, they began to worry that their data would be used inappropriately. At the same time, 61% of respondents were concerned that their confidential information could be stolen by hackers, while another 55% feared that seat owners would use technology to spy on them. As the digital transformation of HR management

involves a large amount of employee information and privacy, it is essential to establish a reliable mechanism for employee information security.

(1) Strengthen the construction of employee information protection system. Establish strict institutional constraints on the collection, storage, scope of use and authority of employee information data. At the same time, strict penalties are established for the illegal use of data, privacy leakage and other security issues to ensure that the privacy of employee information is not pried into.

(2) Foster trust between employees and managers. This includes the trust of employees in their managers and the trust of managers in their employees.

(3) Create a data believer culture. A culture of data believers can only develop if the organization allows reliable data to flow freely and transparently, collaborates according to a set of core data principles and practices, and employees have the tools and skills to use to mine data for insights. And it all starts with top management who believe in data and who must take the lead.

Doing stakeholder change management

A stakeholder is a member of an organization who can influence or be influenced by an issue. The stakeholders of HRM digital transformation can be the part of the organization that can benefit from the HRM digital transformation work, they may be the managers who encounter some problems in their work that need to be solved digitally, they can be the employees whose way or content of their work is affected by the HRM digital transformation; and they can be the promoters who are involved in the HRM digital transformation project, implementers. Their opinions need to be taken into account in the digital transformation of human resources management, and their relationships need to be handled well in order to make the digital transformation of human resources management a success.

(1) Identify stakeholder claims. Digital transformation in HRM cannot just be about buying a new system or platform and expecting everyone to use it effectively. Digital change encompasses the different expectations and priorities of many stakeholders. The reality is that organizational change is often met with resistance from employees and managers. Employee resistance can stem from a lack of trust in leadership and the fact that digital system switches make daily tasks more difficult for a short period of time. Managers need to be supporters of change, even if they are initially, but if they don't see a payoff, it will wane over if time. The HRM digital transformation process must rethink stakeholder roles and demands, including the demands of HRM employees for workload and efficiency improvements, managers' concerns about adapting to the new platform and the impact on managerial efficiency, and other employees' concerns about the skills required for the transformation.

(2) Effective communication with stakeholders. Enterprises often place great emphasis on communication with customers but not enough with employees in their day-to-day management. Effective communication with all stakeholders is an essential part of digital change management. Establishing an open communication mechanism allows the core members of the change team to dialog with senior management to share ideas and needs for transformation. And employees need to be informed through communication about what will happen with the digital transformation of HRM and how it will affect their work to prevent rumors or misinformation from spreading. Finally frequent communication takes place to reaffirm the organization's vision and remind everyone why change is important.

(3) Develop a stakeholder management strategy. In the preparation phase of HR digital transformation, listen to team members about how the work will actually get done. Interview stakeholders about the impact of digital transformation on current realities and what must change. Determine who will be affected and how this will change the current way of working. Consider the unknowns or potential obstacles that may arise and develop a plan to prevent or mitigate them. During digital transformation implementation, embrace the skills that need to be developed to run the digital system, while incorporating employee feedback into viable solutions and routes for future enhancements. After implementation, review the progress of digital transformation and analyze the results, which can provide valuable insights that can be considered for future change efforts. And gather feedback to find ways to increase adoption and assess whether the desired goals were met.

Managing the risk of digital transformation

(1) Risk of transformation effect not meeting expectations. First, prior to digital transformation, Company W did not have a sufficient understanding of the application of digital technology in enterprise management, which resulted in some transformation needs not being met by third-party technology, thus affecting the realization of the expected transformation effect. Second, Company W only set a single digital transformation goal of "improving efficiency" in the early stage of digital transformation and did not set milestone goals. During the transformation process, a large amount of work was added because of the switch between the old and new systems, the setting of fields in the new system, process changes, data entry, data calibration, etc., which resulted in overloaded employees and constant complaints, and some managers

questioned that the transformation seemed to reduce work efficiency due to the fact that more tasks needed to be carried out according to the process, and the cooperation and enthusiasm of the transformation of the employees and managers were thus affected. Due to the lack of understanding of the application of digital technology and the transformation goal is too single, employees and some managers only focus on the workload brought about by the current change in work style, ignoring the digital transformation for the future of the enterprise to bring process transparency, knowledge precipitation, data interaction, assisted decision-making and other long-term value contribution and goals, and ultimately, the transformation does not meet the expectations of the situation. In order to avoid similar risks in Company W's digital transformation of human resource management, it is necessary to fully assess the current status of the use cases of third-party digital technologies in the field of human resource management and the evaluation of their effectiveness before the transformation. In addition, by setting short-, medium-, and long-term goals and establishing key milestones for success at each stage, the organization can demonstrate that it is creating the desired results. By setting continuous node goals for employees and managers to pursue and celebrate, the evaluation of the effectiveness of digital transformation becomes a multi-dimensional, dynamic, and continuous evaluation process, avoiding a single, static evaluation criterion.

(2) The risk of unclear transformation responsibilities. Due to the large workload, long cycle, and many departments and personnel involved in the digital transformation, Company W has encountered the problem of unclear transformation responsibilities and difficulty in promoting progress in the process of digital transformation. For example, the new general manager was authorized by the chairman of the board of directors to be the main project sponsor for digital transformation, and the procurement department was less involved in the negotiation of project costs, as the procurement department believed that they were not the main person in charge of the project and did not need to take the main responsibility for negotiating project costs. In the project requirement confirmation process, the vice general manager, who was familiar with the operation of various departments, was less involved. The vice general manager believed that the general manager should have the ability to independently coordinate the transformation project, and because the new general manager lacked an in-depth understanding of the company's operation and management pains, he spent a lot of time in the negotiation of the project cost and the confirmation of the project requirements, and the results were not good. Finally, in order to supervise the progress of the project, the chairman of the board of directors had to personally participate in the meetings of each project. In order to avoid the risk of unclear transformation responsibilities, Company W should clarify the project guarantor and the responsible parties and their authority in the process of HRM digital transformation planning, so as to ensure that each party performs its own duties and promotes the project together, and to avoid the progress and quality of the transformation project being affected by the lack of clarity of the transformation responsibilities and the imputation of all the responsibilities to the project guarantor.

V. CONCLUSION

Under the background of the digital wave, enterprise digital transformation has become an important choice to enhance enterprise competitiveness in the BANI era. At the same time, the new generation of employees pursuing liberalization and personalization of the work demand, the employee experience put forward new requirements, human resource management how to enhance the value of management in the era of digitalization, thought-provoking. By exploring the digital use scenarios of human resource management and the core elements of digital transformation of human resource management. The following conclusions are summarized:

1. HR Digital Transformation is an important tool for Company W to enhance collaboration efficiency, increase the business value of HR management data analytics, and improve employee experience, and is an integral part of the success of Company W's enterprise digital transformation.

2. The use of digitalization in the field of human resource management is still in its infancy, the integration of people and technology how to use technology to improve efficiency in the process at the same time pay attention to the feelings of employees, and continue to help employees to improve the work experience and work happiness will be the long-term mission of the digital transformation of human resource management.

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