Executive Summary

New technological advents are disrupting the existing HR processes within the scope of talent acquisition, employee engagement, and performance management. In addition to the technological changes, the evolving workforce makes it imperative for HR professionals to adopt new programs, policies, and processes to maintain a strategic role within the organization. In order to gain competitive advantage in talent acquisition, HR professionals need to interact with job seekers on various platforms such as social media, review sites, talent communities, and increase interactions with passive applicants. In addition, it is important to streamline the application process and make it available on mobile devices. In terms of employee engagement, HR professionals need to utilize tools such as HRIS and behavioral assessments to create training and succession plans to address issues such as skills gap. Lastly, HR professionals can utilize performance management software to automate the performance review process and also adopt new policies, such as for telecommuting, to establish performance management process for remote employees. Technological tools can help HR professionals align departmental goals with the overall company goals to help accomplish the strategic plans of the organization.
Understanding the Impact of Automation and Technological Advances on the Strategic Role of HR

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Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Statement</td>
<td>5</td>
</tr>
<tr>
<td>Background</td>
<td>5</td>
</tr>
<tr>
<td>Utilizing Technological Solutions for Talent Acquisition</td>
<td>6</td>
</tr>
<tr>
<td>Utilizing Technological Solutions for Employee Engagement</td>
<td>7</td>
</tr>
<tr>
<td>Utilizing Technological Solutions for Performance Management</td>
<td>8</td>
</tr>
<tr>
<td>Implementing Technological Solutions at Michigan Legacy Credit Union</td>
<td>9</td>
</tr>
<tr>
<td>Conclusion</td>
<td>11</td>
</tr>
<tr>
<td>References</td>
<td>12</td>
</tr>
</tbody>
</table>
Understanding the Impact of Automation and Technological Advances on the Strategic Role of HR

**Problem Statement**

The Human Resources (HR) industry is experiencing technological paradigm shift. Technological paradigm shift refers to new technologies that transform the structure of the industry and requires adoption of new strategies in order to survive (Hill et al., 2017). New technologies are changing the expectations employees have from their employers. It is imperative for HR professionals to implement new programs and policies in order to meet these employee expectations in regards to onboarding, engagement, and performance management.

**Background**

In most organizations, the human resources department is generally viewed as an administrative department with operational tasks. However, according to Pande & Basak (2015), the new trend in the HR field is to move towards transformational tasks and strategic goals. The ability to focus on strategic goals, will allow the HR department to plan and develop programs that directly impact the organization. According to Sullivan (2004), “Strategic in HR means future-focused HR initiatives and programs that affect the entire organization. They impact the corporation’s stated goals and objectives and also provide the firm with a competitive advantage in the area of people management or workforce productivity” (p. 10). Automated, transformative digital technologies can provide innovative solutions that HR professionals can utilize to manage workforce strategically. However, with the advent of these technological solutions, the HR industry needs to reinvent itself in order to survive the transformation (Forbes, 2016). HR professionals need to not only understand, but also develop strategies, implement programs and
policies that meet the evolved expectations that the employees or potential employees have from the employers.

**Utilizing Technological Solutions for Talent Acquisition**

Talent acquisition is one of the most crucial functions of the HR department in any organization. It is important to make good hiring decisions as this can significantly impact an organization’s performance, growth, and overall culture. Talent acquisition has become more difficult as the overall structure of the workforces is evolving rapidly where contingent workers and independent contractors are expected to dominate around 50% of the talent market by the year 2020 (Moody, 2018). Job applicants are no longer following traditional methods of job application. Talent acquisition teams or HR professionals need to interact with job seekers on various platforms such as social media, review sites, and talent communities (Harvard Business Review, 2018). It is important for talent acquisition teams or HR professionals in charge of the hiring process to interact with the talent pool via all the channels.

To facilitate interaction with the job seekers and in order to gain an advantage over other companies in seeking talent, companies are relying on technological solutions. According to a survey conducted by Harvard Business Review Analytic Services and KellyOCG, 65% of the participants suggest using “using AI-driven chat bots and other technologies to engage and inform potential job candidates” (2018, p. 7) and 52% of the participants suggest “using analytics, machine-learning tools, and other advanced technologies to locate evaluate, and prioritize highly qualified job candidates” (2018, p. 7). By using technological tools, it will allow HR professionals to interact with passive candidates. In a tight labor market with a low unemployment rate, it is critical to engage with passive candidates as well in order to fill open positions. However, job seekers want an application process that is quick, streamlined, and one
that provides quick feedback. There is an increasing focus on compelling candidate experience where job applications are easier, simpler, faster, and more mobile (Harvard Business Review Survey, 2017). A long application process deters candidates from completing and submitting their application, which leads to fewer options for the talent acquisition team to choose from. Therefore, HR professionals need to partner with IT and marketing teams within their organization and develop methods that allow applicants access to the open positions and present them with an opportunity to apply to the position without a lengthy process. By putting such technological tools in place, HR can update the application process allowing them the opportunity to engage with a diverse selection of workers, which will prove to be important in HR’s strategic role in talent acquisition and in the overall organization.

**Utilizing Technological Solutions for Employee Engagement**

In addition to acquiring talent, employee engagement is also an important aspect of human resource management. Technological solutions can aid HR professionals increase employee engagement. Software solutions such as human resource information system (HRIS) and automated behavioral assessments, such as Predictive Index, can assist HR professionals in strategic planning in the area of resource allocation, promotions, and career planning. Employers need to focus on creating learning programs that help employees learn, develop, and improve on their skills, which will create opportunities for them to grow (Forbes, 2016). Implementing an HRIS solution can help HR professionals gather data on motivating factors, objectives, skills, and training of the employees in their organization (Weeks, 2013). This data can be utilized in creating training programs and also for developing succession plans for the organization to avoid skills gap. Additionally, behavioral assessments can provide insight into employees’ general tendencies, behavioral patterns, and drives. Behavioral assessments can also be used for
promotions and career-pathing, which can improve company metrics such as customer satisfaction, employee engagement and revenue generation (Roberts, 2014). HR professionals need to take an investment-based approach by focusing on development, opportunities, retention, engagement, and human capital planning, which can significantly impact the economic value of the organization (Njemanze, 2016). By implementing new technologies, the HR department can invest in the development of their employees, which will in turn create increased retention and job satisfaction.

**Utilizing Technological Solutions for Performance Management**

One of the most critical functions of the HR department is the administration of performance reviews. Performance reviews help in improving productivity, setting goals, and overall performance of the team. This is a yearly process facilitated by the HR department to deliver feedback from managers to their employees. Performance reviews are critical because “…they can implement remedial action plans in a timely manner by providing constructive feedback to project team members, developing appropriate individual or group training plans, setting future performance expectations, clarifying project roles and responsibilities, and identifying and resolving latent issues” (Singh, 2015, p. 158 – 159). It is important to quickly address the issues affecting performance and to resolve them in order to ensure smooth functioning of the organization and also to retain the employee. There are automated tools available that can facilitate the performance review process and ensure timely feedback is provided. Performance management software that are available in the marketplace have “… the ability to consistently develop and manage employees based on the value of an individual’s contribution” (Weeks, 2013, p. 37). By utilizing an automated performance review system, HR professionals can streamline the process, create efficiency, and deliver feedback promptly.
While automated tools can streamline the process, the new trend of telecommuting poses as an obstacle to performance management. A growing number of companies are presenting telecommuting option to their workforce. This helps organizations reduce absenteeism, increase job satisfaction and productivity, and gain competitive advantage (Piskurich, 1996). Companies that offer telecommuting option appear more lucrative to applicants as this offers them flexibility of schedule, which helps companies gain competitive advantage over other organizations that do not have the technology to support telecommuting. However, some of the disadvantages of telecommuting include reduced supervisory control over employees and potential for employee abuse of this provision (Piskurich, 1996). In order to address these issues, the HR department needs to take an active role in developing a fair and successful telecommuting policy. An ideal telecommuting program will

“…thoroughly discuss and agree on goals and expectations for the employee beforehand…detail such things as the hours that will be worked, the specific work activities, the childcare situation at home, the equipment and other support services the company will provide, the expenses that will be reimbursed, and how the employee’s performance will be measured” (Goldsborough, 1999, para 8).

By outlining the expectations in detail, HR professionals can ensure that the policy has been clearly communicated and leaves no ambiguity. In developing a telecommuting policy, the HR department can establish a proper structure with clear expectations, while allowing flexible working conditions that advantageous and profitable to both the employees and the organization.

**Implementing Technological Solutions at Michigan Legacy Credit Union**

The use of technology in HR processes at Michigan Legacy Credit Union is in the preliminary stages. The current talent acquisition and onboarding process is very rudimentary
and does utilize technological tools. The HR department only relies on job postings created on the company’s website and on popular job boards to attract applicants. Job seekers are subject to a very lengthy application process which involves completing a four-page employment application along with a questionnaire that consists of ten questions. It has been observed that this deters a lot of the applicants from pursuing the position. The company website and social media page include job postings; however, the job seekers do not have the option to apply on these channels. In addition, the HR professionals do not engage with applicants on social media. Due to the lack of technological integration, MLCU’s HR department does not have the edge in the competition for talent acquisition.

The credit union has implemented the use of behavioral assessments as a part of the job application process. The HR professionals in the organization are trained on administering and analyzing the results of the behavioral assessment and use these results in making hiring decisions. In addition, the HR department also utilizes an HRIS to collect, store, and maintain data about its employees. However, the use of both, behavioral assessment and HRIS, has not been optimized to yield better results and process improvement.

In regards to performance management, the credit union did invest in a performance management software 2 years ago. This has helped the HR department streamline the performance review process and has created a process that allows managers to provide timely feedback to their employees. However, the performance management software is simply put in place of the previous performance appraisal process. The software is not being used to its fullest capacity and is not being used as a tool for strategic planning. Lastly, the company does not have a policy regarding telecommuting. The upper management of the organization does have the flexibility to telecommute. Even though administrative staff can telecommute, they have not
been granted this option primarily due to concerns that employees may abuse this provision. However, with increasing costs of office space maintenance, the upper management is considering implementing telecommute option for the employees that do not work in customer facing capacity.

**Conclusion**

The HR industry is experiencing a technological revolution. HR professionals need to adopt a change mindset in order to survive the transformation. Along with technological transformation, the workforce is evolving as well. HR professionals need to invest in developing programs, policies, and processes that focus on talent acquisition, retention, engagement, performance management, and human capital planning in a way that it aligns with company goals, strategic plans, and increases the overall business value. Automated, transformative digital technologies can provide innovative solutions that HR professionals can utilize to manage workforce strategically, while streamlining processes, creating efficiencies, and increasing overall profitability.
References


