

## **DIGITALIZATION OF THE HUMAN RESOURCE MANAGEMENT: RUSSIAN COMPANIES CASE**

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### **Abstract**

Due to digitalization, human resource management processes are becoming automated, transparent, centralized and efficient. Digitalization, automation, robotisation have a significant impact on the transformation of the labour market. New technologies are changing the usual functionality of workers in different professional fields. Digital tools are embedded in business processes, including human resource management processes. The article presents a review of a number of authors' studies aimed at investigating the influence of practices of digital technologies introduction into personnel work in Russian organizations of various industries and forms of ownership. Data collection was carried out with using primary and secondary sources of information. Empirical data was obtained with using various tools of the respondents' surveys and interviews. The respondents' sample was formed depending on the purpose of a particular study. Students, working and not working citizens of different age categories were involved as the respondents. Summarizing and analysing the research results provides a picture of certain aspects of the digitalization process in the field of human resource management in Russian companies. All the presented in the paper studies were conducted in 2018 and cover such processes of working with personnel as the development of the HR-brand company, sales managers recruiting, and computerization of the labour functions of employees. The authors pay special attention to the impact of the digital technologies introduction within the companies' activities on the people behaviour of in the labour market, as well as in the workplace, how the content of employees' work, their motivation and labour processes efficiency changes.

**Keywords:** Human resource management, digital technologies, labour digitalization, HR-brand, digital recruiting.

## **1 INTRODUCTION**

The digital revolution that has begun now affects not only business in general, but also such a sphere as HR. Currently, there are many digital products on the labour market, but not all of them are universal: every company has to find its own solutions (Lysenko, et al, 2018). The HR community today pays a lot of attention to automating business processes. Modern technological solutions have changed the basic principles of office work.

Researchers excrete such modern changes in business as changing consumer demands, the need for storing, processing and analysing huge amounts of data (Big Data), the priority of information security, changes in sales: from a seller-human to a seller-robot, from “target audience” to personalization, intermediary platforms using high-tech business processes, digital business transformation: platforms, services, mobile applications, social networks (Nagibina, et al, 2017). Such changes in business affect the formation of new trends in human resource management. HR management digitization is aimed at combining all areas of personnel management with the capabilities of rapidly developing digital technologies for transparency, consistency of alignment and measurement of human capital management processes, similar to the management of any other company assets (Fedorova, et al, 2017, Kokovokhin, et al, 2017).

In the present article, the authors consider the experience of introducing digital technologies into separate human resource management processes, the impact of digitalization on the performance of employees is assessing.

## **2 RESEARCH METHODS**

At the first stage of the study, secondary sources of information were studied. For example, surveys of employers of the largest enterprises in the Ural region, conducted by recruitment agencies, point to the automation of all processes as one of the main drivers of the digital revolution in HRM. The most frequently mentioned are: recruitment automation using the Applicant Tracking System, automation of compensation management, or the introduction of modern cloud information systems. Today, in every fifth Russian company, the processes of communication, training and personnel evaluation are automated, and only 15% of organizations process everything manually (Izotov, 2018).

In order to determine the effectiveness of using digital tools in the development of the employer's brand, a survey was conducted using a questionnaire method. The respondents were students, working citizens and not working citizens of different age categories. In total 136 respondents took part in survey: respondents aged 18-25 years – 53%, 26-35 years – 23%, 36-45 years – 17% and over 46 – 7%. Among respondents, 42% are students, 27% are specialists, 13% are unemployed, 9% are line managers and 9% are others.

To obtain empirical data on the effectiveness of digital recruiting, was used the method of interviews with candidates and recruiters, which allowed to identify the main channels for finding vacancies and candidates, and a general description of the impact of digitalization on the selection process for sales managers. The choice of interview method is caused by the possibility of obtaining first-hand information about the using of digital technologies while job research and candidates. 54 candidates took part in researches for the position of sales manager and 42 recruitment specialists working in sales of services, a complex technical product, real estate and FMCG, aged 25-35 years. Among recruitment managers, 95% are women and 5% are men; considering sales managers, 63% of respondents are men and 37% are women. As part of the study, participants identified several of the most popular search channels.

The study of the influence of the computerization of labour on the motivation of postal operators was held in one of the branches of the state enterprise “Russian Post” in the form of a survey using the method of Barbuto and Sholl (1998). For each postal operator, “motivational cards” were drawn up with sources of motivation, which are located in order of importance for each of them.

All of the above-mentioned studies were conducted in 2018 at enterprises of different industries and forms of ownership in the Ural region.

## **3 RESULTS**

### **3.1 HR brand development**

Digital economy forms a new type of consumer of labour market; accordingly, it is necessary to use new tools to work with this consumer (potential employee of the company). The main digital tools used for the development of the employer's brand include: sites about work, social networks, and mobile applications. As practice shows, many companies begin to use these tools, applying the "successful" experience of

developing an employer brand of leading companies, without analysing the needs of their target audience.

For an exact assessment of the effectiveness of using digital technologies in the development of the employer's brand, the respondents' answers were analysed on target audience. To the question "From what sources did you learn about the possibilities of working in this company?" the answer "Social networks" was given by respondents to such target audiences as students – 92%, specialists – 6%, workers – 2%. The answer "From acquaintances / from conversations of people" and "Websites about work" selected all categories in approximately equal proportions. The answer "Magazines / newspapers", "Ads on the boards / billboards" overwhelmingly chose such age categories as 36-45 years old people (38%) and over 46 years old (49%). "Job fairs" allowed to get acquainted with job opportunities in companies for such respondents as students (92%). To the question "Which sources do you often refer during job research?", the answer "Social Networks" was given by respondents to such target audiences as students – 90%, specialists – 6%, workers – 4%. By age distribution – 18-25 years old – 93%, 26-35 years – 5%, 36-45 – 2%. The answer "Websites about work" was chosen by all respondents in approximately equal proportions. But the answer "Mobile applications of companies" was not chosen by respondents.

Thus, it is important to understand for which audience attraction digital technologies are used. The study shows that the majority of respondents who use social networks and job websites as job search tools are 18-36 years old. In addition, it is better to use digital technologies to attract students / graduates, professionals and workers. Such an audience as line managers and top management are unlikely to use social networks to "get to know" the company.

### **3.2 Digitization of sales managers recruiting**

Based on the results of the study, it is possible to claim that digitalization had a significant impact on the effectiveness of the selection of sales managers in a highly competitive market. There were conducted 42 interviews with recruiters, as a result of which were identified 4 of the most common sources of searching sales managers: job websites, recommendations, social networks, and the "direct search" method. According to respondents, the search on job websites is the most effective, but 50% of respondents use the recommendations of their colleagues and acquaintances. Social networks and the "direct search" method are used by 42% and 28% of respondents, respectively. Based on the study, was compiled a rating of the most popular Job-websites among respondents.

As the main communication tools between sales managers and personnel recruiters, respondents indicated a phone call, E-mail, messengers and messages. According to the respondents, a phone call is the most common channel of interaction with selection specialists, but the E-mail is also leading and it is a promising area of interaction. People want fast feedbacks and maximum personalization.

### **3.3 Computerization of labour functions**

The experience of introducing digital technologies into the labour organization of employees of the state enterprise "Russian Post" shows an increase in the efficiency of accounting for staff performance. Indicators of the performed work are entered into the database in electronic form every day, which allows tracking how many units are left before the completing of the plan, which personal plans are and which indicators each employee has at the moment. Not only the departments' heads have an access to this information, but also the heads of post offices and macro regions. This system has a great influence on the motivation of employees, as they understand that their reward depends only on their own efforts. Also, according to electronic data, the most productive employees who deserve the title of "best" in their field of work are determined. Such employees are sent to the city competition, then to the macro-regions competition, and after it to the All-Russian competition of the best workers.

During the survey of postal workers about the impact of the computerization of labour on their motivation, it was revealed that the majority of respondents recognize the fact that if they had not a computerized system for tracking their work, they would have completed the work plan with less productivity than they are doing now. The bosses can look at the results of the work of postal operators and the progress of the staff's personal plans and the office plan at any time - this is another factor that emphasizes that employees' motivation to work increases due to the introduction of a computer monitoring system. 82% of employees state that monitoring of their work through a computer system makes them to work better. To the question "Does computerization of labour influence your motivation?", 39% of employees found it difficult to answer, only 9% firmly said "no" and more than half of employees (52%) answered that computerization of labour influence their motivation.

## 4 CONCLUSION

This research has shown that digitization of HR processes makes it possible to remove numerous routine tasks from employees, to minimize the risk of human error and to free up time for specialists to solve more important issues, allowing them to use their knowledge and skills more effectively in solving business problems.

Many large Russian companies actively developing the HR-brand use various digital technologies. The study shows that the overwhelming majority of respondents saw information about the represented companies on the websites about work and on social networks, but the overwhelming majority did not see information about companies in mobile applications. At the same time, the fact that respondents choose as the potential employer not the company, information about which they often see on social networks or websites about work, but the information about which they have learned from friends / from people's conversations. Accordingly, the use of digital technologies does not always allow to fully develop an attractive employer brand.

In the selection of sales managers by Russian recruiters, modern technologies of search and interaction with candidates are used. The data obtained in the research gives an idea of the effectiveness of the selection of sales managers in a highly competitive labour market, which allows both job seekers and recruitment specialists to turn to the most popular sources of job search.

The labour digitization has a great influence on the motivation of workers, contributing to their desire to improve the performance of their work, to fulfil plans, to be recognized as the best in their field of work. Computerization of labour is distributed in all fields of activity in Russia and postal services are not exception.

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