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**ROLE OF HR IN ORGANIZATIONAL  
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# Role of HR in Organizational Development and Innovation

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**Abstract – Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization. Performance is the key element to achieve the goals of the organization so to performance increases the effectiveness and efficiency of the organization which is helpful for the achievement of the organizational goals. But the question arise that how an employee can work more effectively and efficiently to increase the growth and the productivity of an organization. There are many factors which improves the work of the employee such as flexible scheduling, training etc.**

**Keyword: HR, Organization, Innovation**

## 1. INTRODUCTION

HR may consist of Human Resource Decision Support System (HR DSS) enabling decision making and forecasting capabilities of HR executives. Sigma consultancy (2001) says that HR DSS simulate (or 'model') a range of employment situations, and thereby help the employer to see how people will react to different employment offers or work situations and that if the modeled situations are realistic, HR DSS will be highly accurate. Human resource (HR) is one of the most important Management Information Systems, which contributes to human resource administration functions of an organization. HR, aptly described by Noe *et al.*, (2007), as a computer system used to acquire, store, manipulate, analyze, retrieve, and distribute information related to human resources. Modern HR needs to help organizations by automating most of the HR planning functions. HR becomes an important strategic tool since it collects, manages and reports information for decision-making. Fully integrated organizational HR ought to interface with other systems enabling and enhancing the communication between departments such as payroll system with accounting system. Since HR deals with employees' personal data, which are sensitive, it should ensure data security while transferring information from one place to another. HR should be able to enhance communication between employers and employees and build strong relationship with unions and management committees. HR should be capable of identifying trends, evaluating and managing costs, comparing the organization with other competitive organizations and issue relevant reports. New HR trends seem to build important effect on HR

planning embedding new technology with organizational objectives and goals. Enterprise Resource Planning System (ERP systems), when linked with the HR sub system, provides a competitive advantage to organizations over their competitors.

## 2. REVIEW OF LITERATURES:

The HR functions become critical partners in driving success, but to do so requires that HR changes its focus, its role, and its delivery systems, thus in e-business, the application of internet technology for HR is inevitable (Ruel, *et. al.*, 2007).

Electronic Human Resource Management (HR) is the actually a strategic initiative to make the organization propel itself in the information age, by freeing itself from daily operational, monotonous requirements and making it more in tune with the decision making and better understanding of the employees. Technological changes and advancement is an effective force towards paradigm shift of traditional HRM function to digital form. Evolving technology has resulted in new dimensions towards HR by way of creation of virtual workforce, reducing layers of management, e-Job design and analysis, e-human resource planning, e-recruitment, e-selection, virtual training, online performance management, e-compensation, e-time and labor management, e-HR audit and e-self-service system hence, redefining the role of HR as strategic partner in the era of technology. Organizations integrating their HR systems with wider management information systems have the potential to contribute meaningfully to the strategic integration of HRM with

organization's wider strategy. They access these functions typically via intranet or other web-technology channels.

The empowerment of managers and employees to perform certain chosen HR functions relieves the HR department of these tasks, allowing HR staff to focus less on the operational and more on the strategic elements of HR and allowing organizations to lower HR department staffing levels as the administrative burden is lightened. It is anticipated that, as HR develops and becomes more entrenched in business. Technology has increased the speed at which HRM transaction and information is gathered, improved communication, and reduced cost, flexible service, employee participation, a step towards paperless office and making it easier to administer HRM function. HR affects the efficiency and the effectiveness of the HR system by reducing cycle times, increasing data accuracy, improving the capabilities of operatives, supervisors, managers and HR professionals in taking better, timelier decisions (Florkowski, Olivás-Luján, 2006). The knowledge-intensifying process of the economy and the correlated rise of organizational networks, with their greater dependency on qualified and committed employees, explain the need for a form of Human Resource Management that meets the demands and needs of the management and the employees of the network organization. Considering this, the requirements for such a form of HRM that become apparent are, on-line applications for HR information, and the tools that are available at any time in any place, and that enable continuous interaction between the employees and the organization.

Despite evident progress of HR in recent past but due lack of relevant empirical research there is complete lack of awareness about the present status of HR in Indian organizations. The organizations utilizing the relevant mechanism, process and instruments of HR, HRM function can act as a strategic partner and facilitate the organization in achieving vision, mission and corporate objective. Research finding shows that most organizations in technical sense try to exploit full potential of HR but in practice its application is limited to operational and relational e- HRM i.e. it is limited to narrow range of functions especially those in administrative management of pay roll or employee record management (operational) and e-human resource planning, e- recruitment, e-selection, virtual training, online performance management, e-compensation (relational), but there is complete dearth of application of HR in transformational form. But present requirement of HRM function is to be helpful in achieving business strategy, contribute financially, and help the organization in improving internal stakeholder's satisfaction.

### 3. TECHNOLOGY ENABLES HR TO EVOLVE TO BUSINESS EXECUTION

Technology has and continues to play a pivotal role in enabling HR organizations to move from personnel

management to business execution. To illustrate this process, let's take a look at four different "generations" of HR that have emerged over the past 20 plus years.

- **Pre 1990: Generation "Personnel Administration."** Prior to 1990, many HR organizations were almost entirely focused on personnel administration. This was due in part to the sheer amount of time required to manage administrative HR processes before the widespread implementation of HR automation technology. In fact, prior to 1990 many HR organizations were not even called "human resources." Instead, they had titles such as Office of Personnel Administration or Personnel Department. The main focus of HR in this generation was on how to efficiently process employee paperwork.
- **1990 to 2000: Generation "Human Resources."** Two things happened in the 1990s that led to personnel management being redefined as "human resources." First, implementation of ERP technology significantly reduced the time needed to perform administrative HR tasks. This freed up HR organizations to focus more on business execution topics. This led to significant advances in the expertise found within HR related to predicting and changing employee behavior. Many of the talent management techniques we now take for granted were largely developed in the 90s (e.g., action learning, competency modeling, structured interviewing, goal setting).

Second, the widespread adoption of personal computers made it possible for HR organization to utilize more sophisticated talent management techniques to support key talent decisions. For example, using computer based tools for and forms for evaluating employee performance and assessing job candidates. Throughout the 90s the focus of HR steadily shifted beyond personnel management to include processes designed to improve the quality of workforce decisions (e.g., determining who to hire, proactively managing employee turnover, or using job goals to drive employee development).

- **2001 to 2010: Generation "Talent Management."** Widespread adoption of Internet systems in the 2000s allowed HR organization to more efficiently share data across what had previously been independent HR processes. For example, automatically importing data collected during the hiring process into systems used to support employee development and management.

Greater access to data enabled HR to shift from focusing on specific employee decisions to aligning talent management processes. No longer was HR

limited to being a series of isolated silos focusing on staffing, training, compensation and succession. Now HR could function as a set of integrated talent management processes designed to ensure a steady supply of high performing talent in critical job roles.

- **2011 to? Generation “Business Execution.”** As companies increasingly adopt cloud computing applications, HR organizations are spending less time maintaining in-house talent management tools and more time on how to most effectively use these tools to increase workforce productivity. The shift to the cloud also enables HR technology vendors to invest more resources into creating highly scalable, user friendly applications that embed HR expertise in tools that are accessible to line managers. This allows HR professionals to shift their energy from managing processes to actively supporting business execution. HR is focusing less on simply keeping track of who employees are, and more on ensuring these employees are being used effectively to support the company’s short and long-term business strategies.

The impact that cloud based business execution technology has on HR can be likened to the impact that global positioning satellite (GPS) technology has on the use of street maps. It allows companies to take information off of shelves where it was rarely accessed and put it in the hands of decision makers when they need it in a format they can readily use. The result is an increasing number of HR organizations that are fundamentally and profoundly improving how line managers run their businesses (Strohmeier, Kabst, 2009. Olivas-Lujan, *et. al.*, 2009. Khoshalhan, 2008. Nagi, *et. al.*, 2008).

#### **4. HR INTO A BUSINESS EXECUTION DEPARTMENT:**

While technology plays a critical role in enabling the transformation of HR from personnel management to business execution, technology by itself does not create this change. HR leaders must effectively use this technology to drive more business relevant conversation with line leaders.

Rather than asking operations leaders about HR topics such as employee engagement or leadership development, HR professionals must start conversations by asking line leaders about what it is they need people to do. What kinds of people do they need in the company to support the company’s growth strategies? What do they need employees to do differently tomorrow from what they are doing today to effectively drive new business initiatives?

Running a business requires doing three things:

- **Defining Strategy** — figuring out what you need to do to succeed.
- **Managing assets** — Securing the capital & resources required to support the strategy.
- **Driving business execution** – Building and managing the workforce to effectively leverage company assets to deliver strategic objectives (Ball, 2001. Thaler-Carter, 1998. Yusuf, *et. al.*, 2011).

#### **CONCLUSION:**

The development of the personal computer and related trends in computing such as client-server architectures unleashed a whole new set of computing possibilities for HR. The flexibility and local processing capability offered by PCs meant that HR users could maintain their own HR records and information and could quickly generate the types of specialized management information that would previously have required dedicated technical resources. Whilst PC systems were easy to acquire and operate, they had a significant downside in that they tended to lack any real integration with the payroll system or indeed any other business applications. Therefore whilst PC systems offered significant advantages, their stand-alone nature led to a host of new problems in terms of keeping HR systems in step with other data.

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