

Hr Transformation Through Digital Leadership: ITC Ltd

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Abstract

This paper gives insight into how human resource management leadership and their team took the initiative to transform human resource activities to attain objectives for reducing complexity, increasing effectiveness, and shaping processes for customer satisfaction. In this transformation process experts from different domains like technology experts, business operation experts HR users, and HR leaders play a pivot role. This paper discusses the emerging role of HR leaders in transformations for HR activities that provide an organization a competitive edge. Further, this paper illuminates the role of HR in inculcating engagement, boosting employee commitment, framing employee benefits, team orientation, and collaborations, and providing a conducive ecosystem that helps in employee retention in the organization. This paper highlights how the organization ensures their sustainability through their people in such a competitive and complex business environment. The innovative practices in HR domain compel top management to adopt these transformational strategies in human resource management through HR leaders and their teams. There is much in this study to interest scholars, students, and practicing managers interested in industrial relations, organizational behavior, and HR management.

Keywords: Digital transformation, HR practices, Learning and Development, Artificial Intelligence, Disruptive economy.

Introduction

'ITC Limited' is a diversified company with businesses in FMCG, packaging, paperboards, hotels, specialty papers, and agriculture; it employs nearly 30,000 employees at over 60 sites throughout India. With time, the company's size and scale of operations have increased globally, however, this has also posed substantial challenges for ITC. Robotics and artificial intelligence are cutting-edge digital technologies that provide real-time data insights and are quickly changing how businesses create and market their goods and services. The leadership abilities and practices required to thrive in a post-digital environment have been significantly transformed by the Digital Revolution. ITC identified three challenges in the age of digital revolution: first, drawing new workers to high-growth areas; second, providing current employees valuable constant training and developing the organization's leaders to their potential; and third, the need for HR to simplify the company's business for employee-clients across the globe. Making a digital transformation is challenging at ITC. Top management must inspire unity at the workplace and lead it to progress.

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(El Sawy et al. 2016) define "digital leadership" as leaders who oversee the digitalization of their organization and exhibit traits that positively influence the attitudes and behaviors of those within the organization who are affected by digital technologies (Avolio et al., 2014). In order to practice digital leadership, executives need to be aware of recent technological advancements, evaluate which ones present opportunities or threats, manage their effects on both internal and external products and services, and guide staff members through uncertain times (Kiron et al., 2016; Kane et al., 2019; Philip and Aguilar, 2021). Both public and private organizations must recognize the benefits of digital technology and adapt their structures to accommodate these changes while embracing its potential. (Gimpel et al., 2018; Heavin and Power, 2018; Horlacher and Hess, 2016; Matt et al., 2015; McKeown and Philip, 2003; Moreno et al., 2015; Reddy and Reinartz, 2017; Andersson et al., 2018; Andriole, 2017; Berman and Marshall, 2014; Sharma and Rana, 2021; Day-Yang et al., 2011). Professionals having access to cloud-based HRM tools, insight-based analytics, and democratized dashboards will be able to create an engaging, interactive, and collaborative personnel landscape for agile firms. (Sharma & Rana, 2019).

Top management must inculcate a digital culture adaptable to change and prepared to welcome new technology. An effective top management realizes that digital leaders must harmonize associations between people and technology, and generate a balance to drive the business to success (Singh et al., 2021). To become data-driven in today's digital environment, leaders and companies must adopt digital technology (Sharma et al., 2019). This will motivate teams to experiment quickly, which will lead to change and positive business results. The leadership at ITC must create new digital ways of working that become ingrained in the company's culture and are accepted by every team member if digital transformation is to be successful. This would require the CEO and the next level of leadership to back the digital initiatives wholeheartedly during the transformation process. ITC's HR department is managed by a topmost human resources officer (CHRO). The department head and HR executive focused on three points for excellence; manpower, sustainability, talent, and leadership development with new learning.

Conceptual Framework:

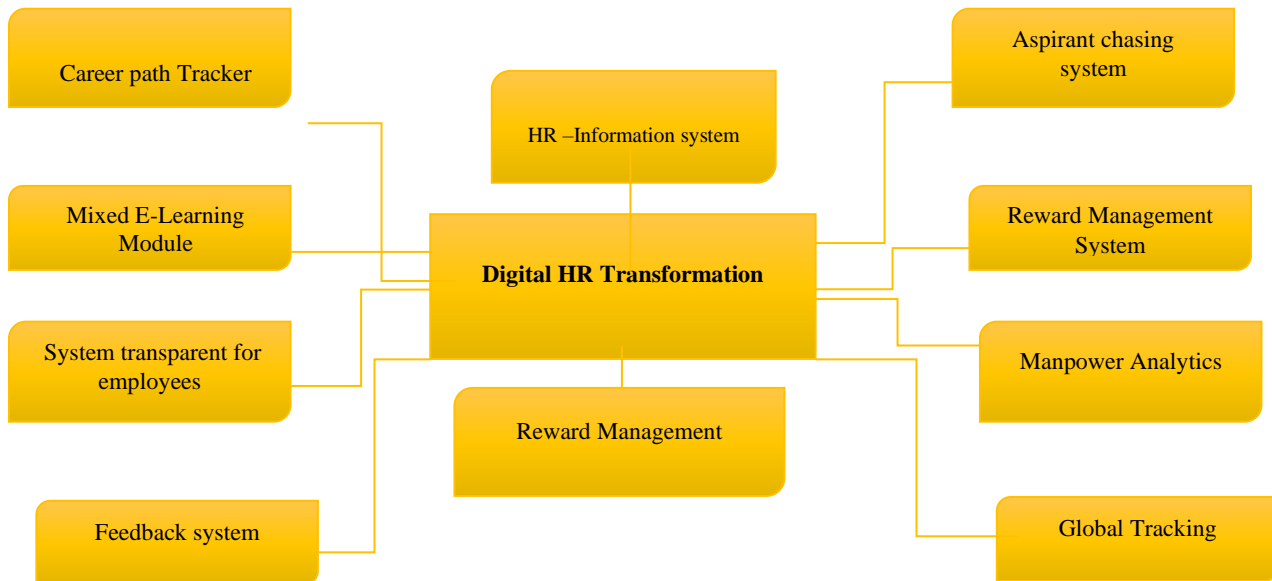


Figure 1: Digital HR Transformation

The above conceptual model in Figure: 1 depicts the vital components that play a pivot role in carving digital transformation in organizations. The detailed description of each component has been mentioned below:

Digital HR Transformation

ITC's HR department controls, develops, and trains nearly 30,000 workers across the globe. HR's vision at ITC is:

The organization can effectively navigate the digital revolution thanks to our HR strategy. We want organizations to be straightforward and flexible, leaders to engage and nurture extraordinary talent, and staff members to learn and develop. We maintain an emphasis on our objective of developing a smooth and uncomplicated employee experience by adhering to our three guiding principles of simplification, standardization, and customer satisfaction.

In 2014, a committed cross-functional core team was formed to push HR's transformation; the initiative was termed the "HR Global Cloud" program. Thirteen competency areas were identified as transformation subjects:

1. Innovate collaborative application platform
2. Persons Profile (HR information system)
3. Hiring Advertising (a global tracking and hiring stage)
4. Hiring Administration (a comprehensive aspirant-chasing system)
5. Goal and Performance Management (bring in line workers' goals and corporate goals)
6. Compensation Management (allows efficient planning for managers and makes reward system transparent for employees)
7. Development Planning (allows employees development, knowledge, and develop career path)
8. Succession Management (assists in the identification of replacements to important managerial and professional posts).
9. Mixed e-Learning modules
10. 360-Degree Feedback
11. Manpower Analytics
12. Onboarding (oversees post-hiring and first-day activities for all new employees).
13. Manpower Essential (Success Factors' core HR solution).

After identifying the 13 competence areas, the HR digital leadership started setting up an execution team which comprised functional HR leaders, representatives of HR excellence team and consulting IT group. A key intranet established for this HR transformation, it is a business-driven process (not IT-driven), applied through all 13 competence areas. The following application process and rollout comprised changes, system configuration and enablement activities held at ITC. It consisted of the following four phases in this project (HR Global Cloud):

1. Prepare
2. Realize
3. Verify
4. Unveiling

The four phases generally take a few months to complete. Project verification ensures all stakeholders' agreement on project scope implementation. In the realize phase, stakeholders

agree to solution acceptance; this shows that business procedures fulfill execution project needs and address questions related to configuration. The readiness acceptance phase exhibits stakeholders' agreement readiness of systems, data, and people to perform new systems. Finally, the verify phase confirms with all stakeholders that the company is prepared to productively utilize the novel system.

In the preparation phase of HR transformation, all transformation teams determined the project scope and established business goals and drivers. Just as HR leadership recognized goals for a complete department makeover, team members recognized objectives particular to their functional roles. The preparation phase saw the initiation of a formal project management component. A schedule of the project was finalized, and an opening project workshop for stakeholders was arranged. Then, the transformation team developed the feedback into the solution.

After feedback incorporation (phase 1), a solution is constructed in the realize phase. In the realize phase, functional and business needs were assessed, and it was ensured that the novel solution made procedures simpler.

The organization was prepared for the inclusion of innovative solutions during the verify phase. The "learn-as-you-go" methodology was followed throughout this phase; team members solicited input, made adjustments, and tailored the innovative solution as needed. Stakeholders give their approval at this phase to the systems, data, and personnel that are ready to execute the switch from the legacy to the new system.

The final phase involves the unveiling of a novel solution. A plan for the novel solution which included user training activities and a communication strategy for wider distribution and quicker acceptance of the novel solution was prepared. At this point, all involved stakeholders decided that the solution could be rolled out.

At this stage, almost all managers of the company and workers around the globe were utilizing the new system. ITC considered critical factors when planning for HR transformation as below.

- Develop human resource and executive leadership.
- Creation of a wide-ranging execution timeline that included procedures related to change management.
- Establish expectations of a novel system with future users.

Implications of a study

The growth of leaders is significantly impacted by digital technologies. As a result of digitization, leadership activities such as sharing, training, and staff communication now take place virtually. Workplaces will become more mobile, flexible, adaptable, multilingual, and culturally sensitive as a result of digital leadership making companies more flexible and adaptable. To manage their teams as efficiently as possible in the digital age, leaders of the future will need to develop the ability to adapt to new problems. Now a day's digital leadership is the most crucial factor for the strategic success in digitalization era. Digital leadership provide different business models and different mindsets and skills for the workforce. Digital leaders can develop new capabilities for their workforce so that they can contribute to business with optimal growth and team collaboration. Digital leaders must focus on the company's future and need to work hard to build a talent pipeline for their future workforce. Companies should learn and develop a right ecosystem for future digital leaders while encouraging and recognizing emerging talent.

Conclusion

The company's previous HR systems, nearly all of which were on-premise, lacked the adaptability necessary to manage a dynamic, international workforce made up of project-based, virtual, and part-time employees. As a result, ITC assembled a diverse group of employees to form a transformation team, including HR executives, users, and specialists in technology and business. Additionally, experts in change management were included as crucial players in promoting the widespread acceptance of new procedures and solutions. Digital leaders must identify organizational areas for improvement. Also, they must hire and nurture top talent to fill roles and drive the business to higher success.

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