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Employee Perception Towards Digital HR Practices in the IT Sector

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Abstract

The rapid advancement of digital technologies has significantly transformed Human Resource Management (HRM) practices, especially in Information Technology (IT) organizations. Digital HR practices such as Artificial Intelligence (AI), HR analytics-based recruitment, Human Resource Information System (HRIS), employee self-service portals, and virtual onboarding are increasingly being adopted to improve organizational efficiency and the employee experience. The study focuses on employees' perceptions and understanding of digital HR practices and evaluates their impact on employee satisfaction, productivity, engagement, and overall workplace experience.

In this research, the aim is to analyze how employees perceive the effectiveness, accessibility, transparency, and usability of digital HR tools that are implemented within IT organizations. This also examines the challenges employees face in adapting to HR's digital transformation, including a lack of training, data privacy concerns, technological barriers, and reduced human interaction. In this descriptive research design, the primary data were collected through questionnaires and surveys from the employees working across IT organizations.

Findings of the study are expected to highlight the digital HR practices to enhance the operational efficiency, communication, and convenience for the employees while simultaneously creating a need for continuous upskilling and reskilling with organizational support. The research emphasizes on the importance of balancing technological advancement with the human aspect of HRM to ensure a positive employee experience in the digital era.

So, this study contributes to the understanding of the evolving role of HR in the digital age and will provide insight for organizations to design the employee-centric digital HR strategies that will support the organizational growth and workforce satisfaction.

Keywords: HR Analytics, Artificial Intelligence, Virtual Onboarding, Digital transformation, HR technology, Employee Satisfaction

1. Introduction

The Fourth Industrial Revolution has boosted the adoption of digital technologies across functions, including Human Resource Management (HRM) (Schwab, K., 2016). So, now organizations are increasingly using automation processes to improve employee engagement, and Digital HR refers to the integration of advanced technologies, such as Machine Learning (ML), Artificial Intelligence (AI), HR analytics, and Human Resource Information System



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(HRIS) into the HR related processes. These technologies help improve processes, such as onboarding, recruitment, employee engagement, performance management, and workforce planning.

In a technology-driven environment, the IT sector has emerged as a leader in digital transformation. Likewise, Digital HR practices have become crucial to understanding employee perceptions and ensuring long-term organizational effectiveness.

The previous literature has explored the benefits of Digital HR, but there is limited empirical evidence on employees' perceptions and experiences, particularly in India's IT sector. This study addresses the gap, examining how employees perceive Digital HR practices and how these perceptions influence their satisfaction and workplace experiences.

2. Literature Review

2.1. Digital Transformation in HRM

Digital transformation has changed and reshaped HR functions by integrating technology into traditional HR processes. (Bondarouk, T., & Ruël, H. , 2019) Describe digital HR as the strategic application of digital technologies to enhance HR practices and organizational effectiveness.

Organizations now utilize the digital technologies to automate administrative tasks, improve employee communication, and facilitate data-driven decision-making.

2.2 Employee Perception Towards Digital HR

Understanding the Employees' perception is also critical to understanding how technology adoption is successful or not. According to the Technology Acceptance Model (Davis, 1989), employees are more likely to adopt the technological systems when they perceive them as useful and easy to use. Research suggests that employees generally appreciate the digital HR systems for their convenience, accessibility, and efficiency. However, perceptions may vary based on digital literacy, age, organizational support, and prior technological experience.

2.3. Artificial Intelligence in HR

Artificial Intelligence has made a huge transformation in HR functions by automating candidate screening, employee engagement analysis, talent acquisition, and workforce planning.

AI-driven recruitment tools improve the hiring processes, and helps in reducing recruitment time. Nevertheless, concerns regarding the transparency, reduced human judgment, and biasness continuous to influence employee trust in AI systems.

2.4. HR analytics and HRIS

HR analytics enables the organizations to make informed decisions based on employee data. HRIS platforms facilitates the payroll management, leave, attendance tracking, and performance management system (PMS). Studies also indicates that HRIS improves the operational efficiency



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and employee satisfaction when the systems are user-friendly and supported by adequate training.

2.5 Virtual Onboarding and Employee Experience

Virtual onboarding has become increasingly prevalent following the expansion of remote work arrangements. Digital onboarding platforms improve consistency, flexibility, and accessibility while reducing administrative burdens. However, employees often report challenges stemming from reduced interpersonal interaction and difficulty establishing workplace relationships during the virtual onboarding process.

2.6. Research Gap

Previous studies have explored digital HR implementation and organizational outcomes, but little research has focused on employee perceptions in the IT sector in India.

The existing literature primarily emphasizes efficiency and cost reduction, while employee experiences, satisfaction, and adoption challenges remain underexplored. Therefore, this study will focus to examine the employee perceptions of Digital HR practices and their impact on the workplace and workforce outcomes.

3. Objective of the Study

- To identify the challenges faced by employees in adopting digital HR technologies.
- To evaluate the influence of digital HR practices on employee engagement and productivity.
- To examine employee perceptions towards digital HR practices in IT organizations.
- To examine the impact of digital HR practices on employee satisfaction
- To provide recommendations for improving digital HR implementation.

4. Research Methodology

Research Design

In this study, a descriptive research design was used to investigate employee perceptions towards digital HR practices in IT organizations.

Sample Size and Population

The target audience comprised employees working in IT organizations across India.

A structured questionnaire was distributed among the employees using purposive sampling

- Distributed Questionnaire: 490
- Received responses: 315
- Statistically significant results: 265

Data Collection

The data were collected primarily through online surveys using a structured questionnaire comprising demographic and perception-based questions.



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Secondly, the data were collected from Journals, reports, books, and Industry publications related to Digital HR and HR technology.

Data Analysis Techniques

The data were analysed using:

- Descriptive Statistics
- Frequency Analysis
- Mean and Standard Deviation
- Correlation Analysis
- Regression Analysis
- Statistical Package for Social Sciences (SPSS)

5. Results and Discussion

Demographic Profile

The respondents represented diverse demographic backgrounds

- 42% Female Employees
- 58% Male Employees
- Majority aged between 25-35 years
- Most respondents possessed 4-8 years of work experience

➤ **Employee Perception towards Digital HR:**

The findings reveal a positive perception of Digital HR practices among IT employees.

1. Experience in recruitment

AI-enabled recruitment systems reduced hiring delays and enhanced transparency throughout the recruitment process.

2. Virtual Onboarding

Virtual Onboarding was perceived positively as it became more convenient and flexible. However, employees expressed concerns regarding limited personal interaction.

3. Employee Self-Service Portals

This kind of portal helps them easily apply for leave, track attendance, access payroll, and manage documents.

4. Ease of Use

Most users revealed that digital HR platforms are user-friendly and improve accessibility to HR services.

➤ **Challenges Faced**

Despite positive feedback, respondents also raised several challenges:

1. Lack of technical training
2. Privacy of Data related Issues



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3. Cybersecurity risk
4. Reduction of Human Interaction
5. Resistance of Technological changes

These suggest that while the employees acknowledge the benefits of Digital HR, organizations must address challenges to maximize the effectiveness.

6. Conclusion

The conclusion of the study states that Digital HR practices have a significant transformation in HR functions within IT organizations. Employees believe that this transformation has helped them improve efficiency, increase transparency, and make it more convenient and accessible.

Digital HR transformation contributes to greater productivity, employee satisfaction, and engagement. However, concerns do arise due to technological complexity, inadequate training, privacy concerns, and reduced interpersonal interaction, which remain challenges.

Organizations need to invest in digital literacy development, cybersecurity measures, and employee training, and implement employee-centric digital HR initiatives to maintain workforce satisfaction and organizational effectiveness.

7. Recommendations

- Maintaining the balance between Human Interaction and Technologies
- Improving the employee feedback mechanism during the Digital HR implementation.
- Improving user-friendly HR Platforms
- Developing customized employee experiences through HR analytics
- Conducting proper training programs
- Strengthening cybersecurity and data privacy frameworks.

8. Future Scope of the Study

Studies in the Future may:

- Exploring the relationship between Digital HR and employee well-being.
- Conducting studies to evaluate evolving employee perceptions
- Investigating the long-term impact of AI-driven HR Systems.
- Understanding the Digital HR perceptions across Industries.

9. References

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