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**HUMAN RESOURCES MANAGEMENT IN FOURTH
INDUSTRIAL REVOLUTION**

Bachelor's Thesis

UNIVERSITY OF ECONOMICS IN BRATISLAVA

FACULTY OF BUSINESS MANAGEMENT

**HUMAN RESOURCES MANAGEMENT IN FOURTH INDUSTRIAL
REVOLUTION**

Bachelor's Thesis

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Abstrakt

PAHADIA , Kuldeep : **RIADENIE ĽUDSKÝCH ZDROJOV VO ŠTVRTEJ PRIEMYSELNEJ REVOLÚCII** – Ekonomická univerzita v Bratislave. Fakulta podnikového manažmentu; vedúca záverečnej práce: doc. Ing. Jana Blštáková, PhD – Bratislava: FPM, 2022

Téma záverečnej práce je zameraná na zmeny v systémoch riadenia ľudských zdrojov v čase, keď mnohé spoločnosti prechádzajú digitálnou transformáciou. Hlavným cieľom bakalárskej práce je výskum efektu aplikácie digitálnych inovácií v systéme HRM. Predmetom výskumu je softvérová podpora procesov HRM v období štvrtej priemyselnej éry. Obsahom záverečnej práce bude skúmanie zmien v procesoch a metódach riadenia ľudí, ktoré digitálna transformácia spôsobuje. Výsledkom záverečnej práce bude identifikácia zmien v systéme riadenia ľudských zdrojov v spoločnosti v digitálnej transformácii.

Praktickú analýzu a prieskum sme robili v slovenskej logistickej spoločnosti so sídlom vo Zvolene pod názvom Scholtes Group sro. V sekcii s názvom Analýza riadenia ľudských zdrojov v logistickej spoločnosti predstavíme teoretické základy riadenia ľudských zdrojov, proces prijímania, získavania a výberu ľudských zdrojov a analyzujeme zručnosti, vzdelanie a profil zamestnancov v logistickej spoločnosti. Taktiež rozviníme a demonštrujeme systémy motivácie a odmeňovania ľudského potenciálu, zostavíme a vysvetlíme analýzu riadenia ľudských zdrojov v danej logistickej spoločnosti. Na záver jasne definujeme výsledky výskumu vrátane úvah o navrhovaných a spracovaných témach.

Kľúčové slová: Elektronické riadenie ľudských zdrojov (E-HRM), Informačný systém ľudských zdrojov (HRIS), Systémy, aplikácie a produkty v spracovaní údajov (SAP), Plánovanie podnikových zdrojov (ERP)

Abstract

PAHADIA, Kuldeep: HUMAN RESOURCES MANAGEMENT IN FOURTH INDUSTRIAL REVOLUTION – University of Economics in Bratislava. Faculty of Business Management; Supervisor: doc. Ing. Jana Blštáková, PhD – Bratislava: FPM, 2022,

The topic of the final work is focused on changes in human resource management systems at a time when many companies are undergoing in digital transformation. The main aim of the thesis is to research the effect of application of digital innovations on HRM system. Object of the research is a software support of HRM processes in the era 4.0 industry. The content of the final work will be to examine the changes in the processes and methods of people management that digital transformation causes. The result of the final work will be the identification of changes in the human resources management system in company in process of digital transformation.

We did practical analysis and research in Slovak logistic company located in Zvolen named Scholtes Group s.r.o. In this paper entitled Analysis of Human Resource Management in a Logistics Company we will present the theoretical foundations of human resources management, process of hiring, acquisition and selection of human resources, we will analyse the skills, education and profile of employees in logistics company. We will also describe systems of motivating and rewarding of human beings potential, compile and explain the analysis of human resources management in a logistics company. At the end we will clearly define the results of the research including considerations on the proposed and processed topics.

Key words: Electronic Human Resource Management (E-HRM), Human Resource Information System (HRIS), Systems, Applications and Products in data processing (SAP), Enterprise Resource Planning (ERP)

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List of abbreviations

ERP Enterprise Resource Planning

SAP Systems, Applications and Products in data processing

HRIS Human Resource Information System

HRM Human Resource Management

INTRODUCTION

Human resource management is far from the initial "personnel service" from which it is occurred. In today's successful businesses, human resource management is healthy spine, while other parts of the enterprise are its healthy organs. In a race with the competition when it comes to new product design, marketing, sales or distribution, a key role is played by employees, who put the product or service at a higher level of quality or speed of delivery. From planning company strategies, hiring new employees with appropriate knowledge and skills, plus exceptional motivation, creating incentive programs for diligent employees, but also recognizing and solving problems in the organization, human resource management becomes an extremely resourceful, innovative and above all creative part of the organization, that saves it from competition. Examples of many companies tell us, that excellent employee care provides an even better solution and in the issue of enterprise thus making the enterprise more competitive, his products or services better and customers more satisfied. Thesis consists of five chapters that describe the issue of human resources, advantages, disadvantages, ERP solution, HRIS Software, HRM process in logistic company and possibilities of better management.

The Thesis is divided into four chapters, first chapter of paper explains the literature point of view of thesis including concept of HRM, ERP solution advantages and disadvantages, management goals and characteristics of human resources, factors that influence human resource planning,

Second chapter of thesis explain the goal of thesis. The goal of thesis is to find out, how is logistic company applying the function of HRM, their full process of HRM including job advertisement, hiring, onboarding, asset management, training plans, appraisal plans, measurement of performance, psychological test needed for handling heavy machines, discipline test, usage of ERP solution in company. We try to also focus on how company is taking measure on accidents happening in warehouse. In third chapter we explain the methods of collecting data, what kind of analysis we use for the thesis. In fourth chapter we explain full process of HRM, which is done in Scholtes Group logistics company. We examine process of job advertising, hiring, structure of company, positions in logistic company, HRIS Sloneek software, required knowledge needed to work in company, motivation of employees, techniques of motivation, what are the possible sources of

obtaining candidates. explains the required knowledge that is necessary in logistics type of work, job analysis, and individual analysis. In the fifth chapter we conclude remarks made by the research and analysis of the cited literature. For a better understanding of this seminar paper, we also attach various figures and tables. Research to date has been determined by the understanding of how we are confronted with extremely large and rapid changes in today's world.

In a business environment, the basic resource of any organization is made up of people and their abilities, which enable solving the set of tasks, and thus accomplish common goals of the organization. Every man is shaped by his amount of knowledge, readiness to further learning, creativity, but also motivation towards work, which makes it different from other resources in the enterprise. In order for the company to be as competitive as possible, employees play an important role and can add value to the company itself and its products or services. Human Resource Management (HRM) is a special scientific discipline of management, which includes all the processes and activities they aim for human resource management of an organization. The areas of HRM cover practically every aspect of employee relations in an organization. It also affects the following areas:

- ☐ system of selection in employment, analysis of employees
- ☐ increase employee productivity
- ☐ development and education
- ☐ employee behaviour
- ☐ legal regulations, trade unions, employee protection, etc.

The main aim of the thesis is to research the effect of application of digital innovations in HRM system. The object of the research is a software support of HRM processes in the era 4.0 industry.

To achieve the best possible business results, a well-defined organization is an important goal, including human resource management in the company. A management serves human resources. Concrete definitions denote its function of human management resources for the successful achievement of set of goals, because the word management itself

means to lead. Human resource management can be defined as a management activity that implies the selection, development, maintenance, adaptation, direction and use of human potential in line with the company's objectives, while respecting individual needs and goals of employees.

The term "human resources" tells us about people in a work organization, their potential, as well as all the capabilities they can provide to the organization when achieving its long-term and short-term goals. People are a basic factor that is common to every organization, and they are the creators of strategies of each enterprise, which is the importance of human resource management. Because of that, every manager is involved in human resources activities and seeks to facilitate cooperation among people, so both the strategy and plans of the organization can be realized more successfully. Enterprise strategies, they are at the hands of human resources, which, by achieving their goals, enable the realization of strategies of companies themselves. Global competition encourages organizations to constantly develop and progress, to be able to survive the new demands of globalization. If we own good human potential, i.e., qualified and educated human resources, it is possible to better respond to challenges and demands we constantly face. Human resource education in the organization, it is of great importance for its development and progress.

1. THE CURRENT STATE OF THE PROBLEM SOLVED IN THE NATIVE COUNTRY AND ABROAD

1.1 Human resources as a modern management concept

Company employees with their knowledge and skills represent the main resource without which business operations would not be possible. The economic efficiency of a company depends on human resources. Employees create products and services, strive to maintain and control quality, market products, manage commodity flows, financial resources, determine and achieve the company's strategy and set of weekly, monthly and annual goals. If employees are not effective enough, there is a problem with achieving goals. Human resources make up main operating cost. In Western countries, especially in large

companies, costs labour accounts for 20-30% of total costs, somewhere up to 50%. In economies in transition, due to lower labour costs, this percentage is slightly lower but not negligible.

Human resources mean the total spiritual and physical potential of the employee, both exploited and untapped potential. It forms the basis of presenting people as a resource striving to equalize this potential in treatment with other business resources of the enterprise. Human resources have the knowledge necessary to perform work activities and development companies. They possess innovative qualities, intellectual, biological and physiological potentials without which the work process cannot take place. Obtaining this resource and its working engagement is a key task of business management.

Human Resource Management in organizational practice occurs from the early 1990s, when the human factor began to be viewed as an object of management. Human resource management is positioned in the sphere of leadership, that is guiding people in the organization, and is based on key categories of organizational behaviours such as: motivation, relationships between individuals and groups, organizational socialization, organizational culture, etc. For effective management of this resource is necessary certain theoretical knowledge, as well as specific methods, processes and procedures to human potential used, to direct its development. Use and development of human resources should be focused on the realization of the ultimate goals of the company, i.e., its development and business policy. However, efficient and effective human resource management must also take interests of people into account, not just the goals of the company. It is true that a company uses human potential as a tool to achieve the goals set, but people also use the company to achieve their own personal interests (earnings, experience, affirmation, etc.). Management of human work and development resources is closely related to the management and development of the enterprise itself. Therefore, in the new the concept of management, in addition to the technological, organizational and economic components, must involve also the social and psychological component. Only in that way one can predict the appropriate harmony between all the business resources of the enterprise, which is an assumption for its successful business and harmonious development.

The modern management concept, which manages human resources, deals with strategies, individual and social aspects of the people in the organization. In addition, this management takes into account competitiveness, leadership, which creates or maintains

a competitive advantage. It is difficult to single-handedly encompass the entire concept of human resource management, but it is possible to point out that this would mean caring for people within the organization. That refers to finding the right and experienced people for the organization, influencing training and development of employees and encouragement through motivation, in order to be able to keep one frame. We can say that human resource management consists of a function like employment, development, motivation and retention of employees. Every organization is successful as much as it possesses quality human resources. Achieving maximum from employees, their motivation and success in work are crucial, therefore each organization contains a human resources department in its organizational structure. We could say that the purpose of human resource management is precisely to improve the work of employees in each possible way.

Today, the competition is huge and imposes the need for the most qualified employees, so it is necessary to educate human resources experts as well specialize in many scientific disciplines (psychology, law, sociology ...). Companies need to influence the education and continuous training of their employees as well encouraging them into better work and contribution to the organization. Employee satisfaction will affect their success and their loyalty to the organization. Human resource management experts have great importance for the companies in which they work, and their role is growing. They are needed to help other levels of management in the organization to make the best use of human resources to achieve the goals of the organization.

Human resource management goals

In order to achieve certain goals in an organization, human resource management must meet certain requirements, which will affect the improvement of the work of employees, and their higher productivity in the organization. Through this satisfaction and fulfilment of the requirements of the basic and the most valuable resource in the company, we come to meet the goals, which we strive for. If human resource management

is not able to manage human resources it can affect business, as well as profit and, in the worst case, the survival of that organization.

The main goal of human resource management is to achieve the following goals:

1. Functional goal - the function of human resource management means contribution to organization as much as necessary for it to achieve its goals and realize its organizational strategy. This would mean that resources should be as rational and efficient as possible use, in achieving organizational goals.

2. Organizational goal - as we have already pointed out, the most important factor for the organization is human resources, therefore, the efficiency and motivation of employees should be improved in a better way and thus they will fulfil the goals of the organization.

3. Social goal - in everyday human relations, social norms and systems values are very important in achieving good communication. Be ethical and socially responsible to the needs and challenges of society and minimize the negative impacts of these.

4. Personal goal - employee satisfaction is most important for any organization, but it is not enough to satisfy employees only in business terms, it is necessary to help them in achieving their personal goals. Only in this way their trust can be obtained, and employees will be satisfied and motivated to progress and give a better personal contribution to the organization.

Each of these goals significantly affects human resource management, which improves its organizational performance. Human resource as a common factor of all organizations is the complete contribution, through their personal abilities and skills. Activities that are needed for managers at all levels to take in managing the human resources they need, enable the success of the organization, but must adhere to the company's strategy. Recruitment capable staff is also one of the most important activities. Recruitment activities and selections, resources as needed by the organization can be engaged. From quality assessment and the choice of candidates the further development and success of the company depends on. Sometimes a misjudgement can do great damage. Human resource management activities can have a direct as well as indirect impact on the productivity of the organization.

Directly, by finding better and more efficient ways to achieve the goals and indirectly by influencing the improvement of working conditions.

Domain of human resource management is to improve and enhance:

- ☐ quality of work
- ☐ employee satisfaction
- ☐ level of professional training and staff
- ☐ readiness for change

Characteristics of the human resource management system

The human resources management system is used for decision making in management, launching initiatives for improvement within human resource management, adoption regulations in the field of human resources.

The basic functions of the human resource management system are:

- updating employee data
- maintaining the organizational chart of the company
- integration with other relevant systems
- analysis and preparation of job descriptions, i.e. their structure
- production of statistical reports and analyses
- recruitment
- analysis of the need for additional training and education
- development of training and education plans
- evaluation of work results and analysis of employee performance results
- career planning

In addition to the basic functions, the human resource management system should be supported also by distribution of access rights to tools, data and data groups, and not only within the service, but also (to some extent) to employees of other departments and sectors. Given the human potential of a large service-oriented organization represents her most valuable capital, it is of great importance that the information about it is accurate, precise and unambiguous. The only way to accomplish these is to use a central base human resources from which data are distributed to all other sectors in whose business.

Human resource management measures

The basic tasks for successful human resource management are:

- ☐ active company policy in the field of employment of new potentials
- ☐ key retention
- ☐ constant increase in the level of knowledge of employees
- ☐ employee motivation
- ☐ project and employee cost management
- ☐ making strategic and tactical decisions based on quality information
- ☐ preventing unnecessary duplication of data from the records of various applications
- ☐ division of work and responsibilities when entering data
- ☐ adaptability and global access to data
- ☐ the possibility of obtaining quality reports

Systems Applications and Products in data processing (SAP)

SAP was found in 1972 by five IBM employees Wellenreuther, Hopp, Hector, Plattner and Tschira, who wanted to construct a real-time business data system. SAP AG is the largest European software enterprise with headquarters in Walldorf, Germany. The first name chosen for the company was Systems analysis and program development, but now the name of company and the ERP (Enterprise Resource Planning) software application name is SAP which stands for Systems, Applications and Products in data processing. It comprises number of modules in which individual programs that can be purchased, installed and run separately, but that all extract data from the common database. All companies have their own modules which are implemented according to their own needs which cover every aspect of the business management.

In current scenario, a cutthroat competition has been found everywhere. So, SAP ERP is the necessity for every organization to beat the cutthroat competition and it also helps in winning the worldwide market place because SAP ERP application supports the crucial functions of every business process and operations efficiently.

SAP ERP SOFTWARE DELIVERS SOLUTIONS

For many organizations, SAP ERP is like a software backbone which helps in achieving organizational goals and objectives.

- SAP ERP Financials
- SAP ERP Human Capital Management (HCM)
- SAP ERP Operations
- SAP ERP Corporate Services

ERP (ENTERPRISE RESOURCE PLANNING)

ERP is the software which provides strength for many companies because it integrates and automates many domestic business processes and information systems. In

today's dynamic business environment, ERP is the necessity for almost all companies to increase the efficiency, quickness and responsiveness required to succeed. ERP gives company a concurrent view of its core business process, in terms of creation, order processing and supply/inventory management.

BENEFITS OF ERP IMPLEMENTATION

- **Quality and Efficiency:** ERP system continuously improving a company's domestic business processes that result shown in the quality improvement and effectiveness of customer service, creation and allocation.
- **Decreased Costs:** Many companies reported the momentous reductions in business processing costs.
- **Decision Support System:** For making better decisions in a timely manner, ERP provides cross-functional information to managers promptly to improve their business performance and also their aptitude.

1.2 Foundation of Human Resource Information System (HRIS)

In past when there was no computer technology, at that time in the organization, "an employee would submit a paper application to a prospective employer. This application would contain typical demographic information that would be stored within a folder that the HR department could access as necessary. Once the employee was hired, relevant information of the applicant was also sent to the finance department for payroll purposes. One of the computerized information systems first used by American organizations was that found within the personnel department. In the 1950s, select organizations began to install automated payroll systems (Blair, 1988). Because large corporations were the typical users of early HRIS, the initial development of software was directed towards the mainframe computer market. Due to the fact that large employers were the only customers for HRISs, software vendors and HRIS professionals were guided by their needs. At this time, most systems were batched which produced systems that were centralized. The HRIS professional developed into an information technology function

whose main concern was to maintain the reliability of the database. As computer technology increased and the cost of computing decreased, the usage of HRISs in organizations became more prevalent (Cottrell & Robertson, 1987).”

“In the 1980s, office automation was initiated in many organizations. This was going to the increased development of HRISs. The prominence was very reasonable in developing HRISs. Their attention was mainly people within the HR department who could be replaced with software. Instead of maintaining extensive records of employees manually, a technician would enter the information once into the system and update records as necessary, and a downside to the new technology was the high price tag associated with the software packages. Typical packages could cost in excess of \$200,000. One should first define the business processes to learn what steps are involved and which databases will be accessed. Then ascertain what “middleware” or workflow engine is needed between the new HR system and the legacy system (Roberts, 1998).”

“Many human resource information systems (HRIS) have been developed inhouse on mainframe computers in order to automate the most basic HR functions such as payroll and benefits administration. Mainframes were accessed through “dumb terminals” controlled by technical computer analysts who employed FORTRAN and COBOL to engage in a rather “linear model of data processing” (Greengard, 1994).”

Concepts of Human Resource Information System

A human resource information system (HRIS) is a system used to obtain, accumulate, operate, evaluate, retrieve and distribute relevant information about an organization’s human resource (Tannenbaum, 1990). An HRIS can be defined as “a composite of database, computer applications, hardware and software necessary to collect/record, store, manage, deliver, present, and manipulate data for human resource” (Broderick and Boudreau, 1992). “An HRIS is a systematic procedure for collecting, storing, maintaining, retrieving and validating data needed by an organization about its human resources. HRIS can be as informal as the payroll records and timecards of a small business, or as extensive and formal as the computerized human resource databases of major manufacturers, banks, and governments. HRIS can support long range planning, with

information for labour force planning, and supply and demand forecasts; staffing with information on equal employment, separations, and applicant qualifications; and development with information on training program costs and trainee work performance” (Cathcart, 1999). The amazing function of HRIS is to accumulate, collect and help investigate the data necessary for the human resource department to do its job properly (Beckers et al., 2002). “Accordingly, by facilitating improved access to metrics, HRIS can improve administrative efficiency through faster information processing, improved employee communications, greater information accuracy, lower HR costs and overall HR productivity improvements (Troshani et al., 2011). Today’s HRIS has the potential to be an enterprise-wide decision-support system that helps achieve both strategic and operational objectives (Groe et al., 1996).”

“A human resource information system is a management information system designed for one particular function of an organization’s operations- its human resource management function. The basic purpose of such a system is to provide managers with the information they need to maximize human resource decisions (Anthony, 1977). Human Resource Information System (HRIS) is a concept which utilizes the development of Information Technology (IT) for effective management of the Human Resource (HR) functions and applications. HRIS enables systematic procedure for collecting, storing, maintaining, and recovering data required by the organizations about their human resources, personnel activities and organizational characteristics (Al-Ibraheem & Ruel. 2009; Singh, Jindal & Samim, 2011). Human Resource Information System (HRIS) can be understood as configurations of different interacting systems that aim at generating and delivering HR functionality in order to automate and informate HRM (Strohmeier & Kabst, 2007).”

“Human Resource Information System (HRIS) is defined as interrelated components working together to collect, process, store and disseminate information to support decision making, coordination, control, analysis and utilization of an organization’s human resources management activities (Laudon and Laudon, 1998). A Human Resource Information System (HRIS) is the integration of software, hardware, support functions and system policies and procedures into an automated process designed to support the strategic and operational activities of the human resources department and managers throughout the organization (Chauhan, Sharma & Tyagi, 2011). HRIS can potentially transform human resourcing tasks, but conflicts between HR and IS managers can hinder HRIS design and implementation projects (Tansley & Newell, 2007). The Human Resource Information

System (HRIS) is the composite of databases, computer applications, and hardware and software necessary to collect/record, store, manage, deliver. Present, and manipulate data for human resources (Broderick & Boudreau, 1992). The success of HRIS implementation has emerged as a significant challenge for organizations attempting to justify planned investments or recover expenses associated with investments already incurred (Hagood and Friedman, 2002).”

2 GOAL OF THESIS

The main aim of the thesis is to research the effect of application of digital innovations in HRM system. The object of the research is a software support of HRM processes in the era 4.0 industry. The supporting aim of the thesis is to evaluate the effect of E-HRM in companies with new potential growth. To achieve the main goal, we have set following sub-goal which are also chapters of thesis:

- Gain theoretical knowledge in the field of Human Resource Management at the corporate level (get acquainted with concepts such as the HRM, concept of HRIS, software application and uses, the nature of HRM process, which significantly helps us to better understand the concept of Human Resource Management.)

- Introduce the selected company, and subsequent analysis of its practical approach in HR department

- Based on the analysis of the company's HRM process, we will get to know how logistic company applying the function of HRM, their full process of HRM including job advertisement, hiring, onboarding, asset management, training plans, appraisal plans, measurement of performance, psychological test for handling heavy machines, discipline test, usage of ERP solution in company. We try to also focus on how company is taking measure on accidents in warehouse .

As the added value of this bachelor thesis we consider the recommendations and suggestions for improving the Human Resource Management in the selected company, which can also be an inspiration for other logistic companies.

3 RESEARCH METHODOLOGY

Characteristics of researched object

Our research objective is the company Scholtes Group s.r.o, which is located in Zvolen. They are a logistic company handling international shipment, warehousing. Scholtes Group is a local brand of Slovakia. They do business in whole Slovakia related to export, warehousing, shipping agent. They are collaborating with different local shipping companies like DPD, Zasielkovna , Seth Transport Puchov. They are experts in warehousing service.

Scholtes Group is sincerely interested in concept of Human Resource Management, which is also implemented in their company.

Description of processing the thesis

We chose the topic of bachelor's thesis Human Resource Management in 4th Industrial Revolution because, as a potential future business owner, we would like to gain knowledge regarding people management and finding or creating the best team for organisation. Entrepreneurs, who want to succeed in customer markets must pay attention to the impact they have on their employees, and they must try to minimize the negative impacts as much as possible. When creating the bachelor's thesis, we proceeded systematically from data collection to its processing. It was necessary to get an overall view of literature related to Human Resource Management and its process. In connection with the study of literature and relevant articles, we defined the main goal of our bachelor's thesis and subsequently the partial goals that are necessary for successful fulfilment of our main objective. Later on, we started working on the first chapter of our bachelor's thesis, the current status of the HRM and its function and clarified all relevant concepts which were crucial to understand empirical part of our thesis. After the consideration, we decided that as the object of our research we would like to choose a logistic company, that has an Human Resource Management system already implemented, and soon after we contacted the director of

Scholtes group s.r.o, with whom we set up a personal meeting. Since then, Scholtes group s.r.o continuously provided the information and relevant company documents to us, which were the main source of our practical part called Research results and discussion of our bachelor thesis. We spent about one month working on the practical part of our thesis.

Methods of data collection and sources

We drew the necessary information for the elaboration and acquaintance with the given issue from several sources, namely from:

- Available literature such as book sources, research papers, and scientific papers – these provided us with a theoretical overview of HRM and its tools.
- Laws – helped us to define the terms such as the labour code and union and its components.
- Internet – internet resources of institutions dealing with HRM provided us with an up-to-date overview of HRM status and related process
- Internal documents of the company – allowed us to look and understand full HRM process and ERP solution in the company and also all voluntary environmental activities in which the company participates and which form a substantial part of our empirical part.

Methods used in interpretation of results

In our bachelor thesis we used qualitative method as:

- Observation – it is a phenomenon by which we purposefully planned and systematically monitored the facts that are defined by the objectives.
- Analysis – we used the analysis for our theoretical part, but also in our empirical part, while dealing with processes and its recognition.

- Synthesis – we used synthesis as the conclusion of all previously gained knowledge and suggest recommendations for the company.

- Interview – another method was also the personal and online interview.

4 Research Result and Discussion

The main aim of the thesis is to research the effect of application of digital innovations in HRM system. The object of the research is a software support of HRM processes in the era 4.0 industry. The supporting aim of the thesis is to evaluate the effect of E-HRM in companies with new potential growth. The aim of this chapter is to apply the knowledge from the theoretical part of our thesis to a specific business entity. The subject and the aim of the work is to analyse the approach of a particular company toward HRM and ERP. The goal is also to understand how theoretical knowledge is being used in real company. Does all theoretical application of HRM system or software are practical to company? Are ERP solutions time and budget friendly? To install and implement HRIS system, is it practically possible for local and medium logistic company? We will discuss here all the functions, processes, ERP, HRIS system used by Scholtes Group Logistic Company. From job description to ERP solution.

In this chapter we will discuss about how Scholtes Group Logistic Company doing HRM practices:

- 1) Sources of obtaining talents
- 2) Creating criteria of employees
- 3) Job analysis
- 4) Motivation techniques to encourage employees
- 5) Compensation
- 6) Sloneek HRIS system used by HR managers

4.1 Profile of the Scholtes Group

SCHOLTES GROUP s.r.o is the logistic company located in Zvolen. It is an expanding Slovak company, a company specializing in warehousing, shipment handling, door to door courier services. The legal form of Scholtes Group is a limited liability company. It is one of the largest employers in this geographical area. Currently employing fiftysix employees.

Organizational structure

The organizational structure of company consists of organizational units and their mutual relations of cooperation, superiority and subordination. All activities implemented in the company are, to the extent necessary to ensure their uniform and effective performance, precisely specified in the company's management documentation and subsequently organized into comprehensive processes. The processes themselves and the activities resulting from them are then implemented by individual organizational units of the company. Employees are acquainted with the organizational structure and relationships between individual job positions at the personnel department and at their place of work

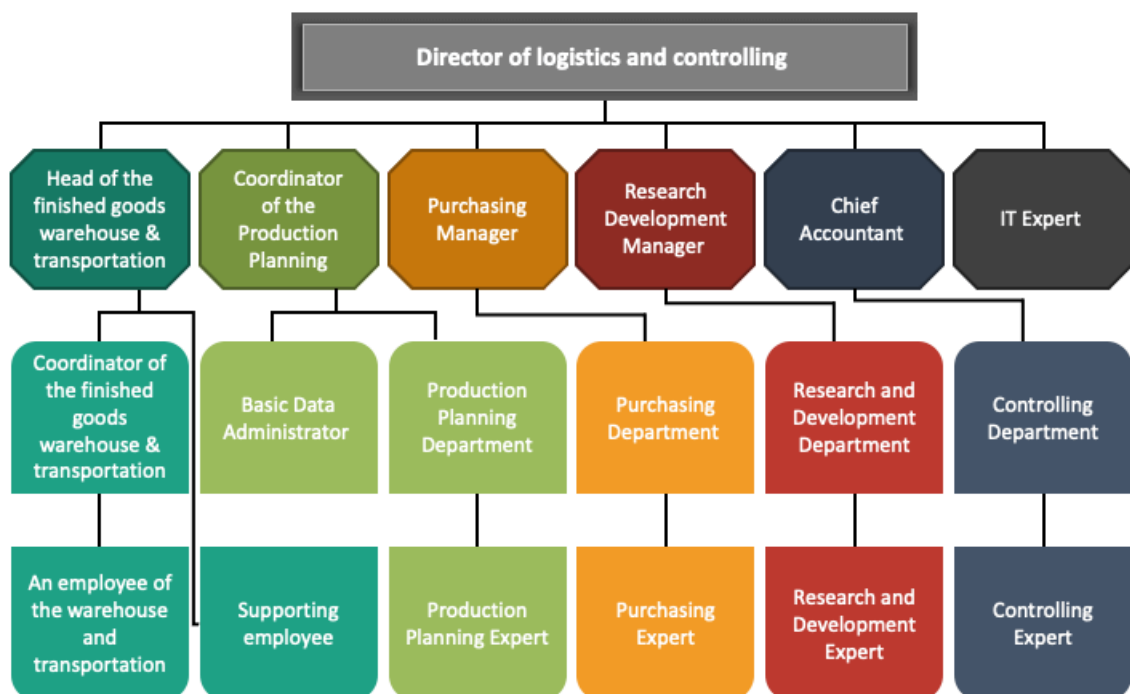


Figure 1: Organizational structure of the logistic company

Source: own processing according to internal documents

Human Resources management in Scholtes Group

Human Resource Management can be observed using seven of each other related functions shown in the figure below. In addition to these functions, there is an external environment - legal, economic, technological, global, environmental, cultural, political and social that affects the functions of human resources as they are shaped, managed, and changed. The functions can be grouped as follow

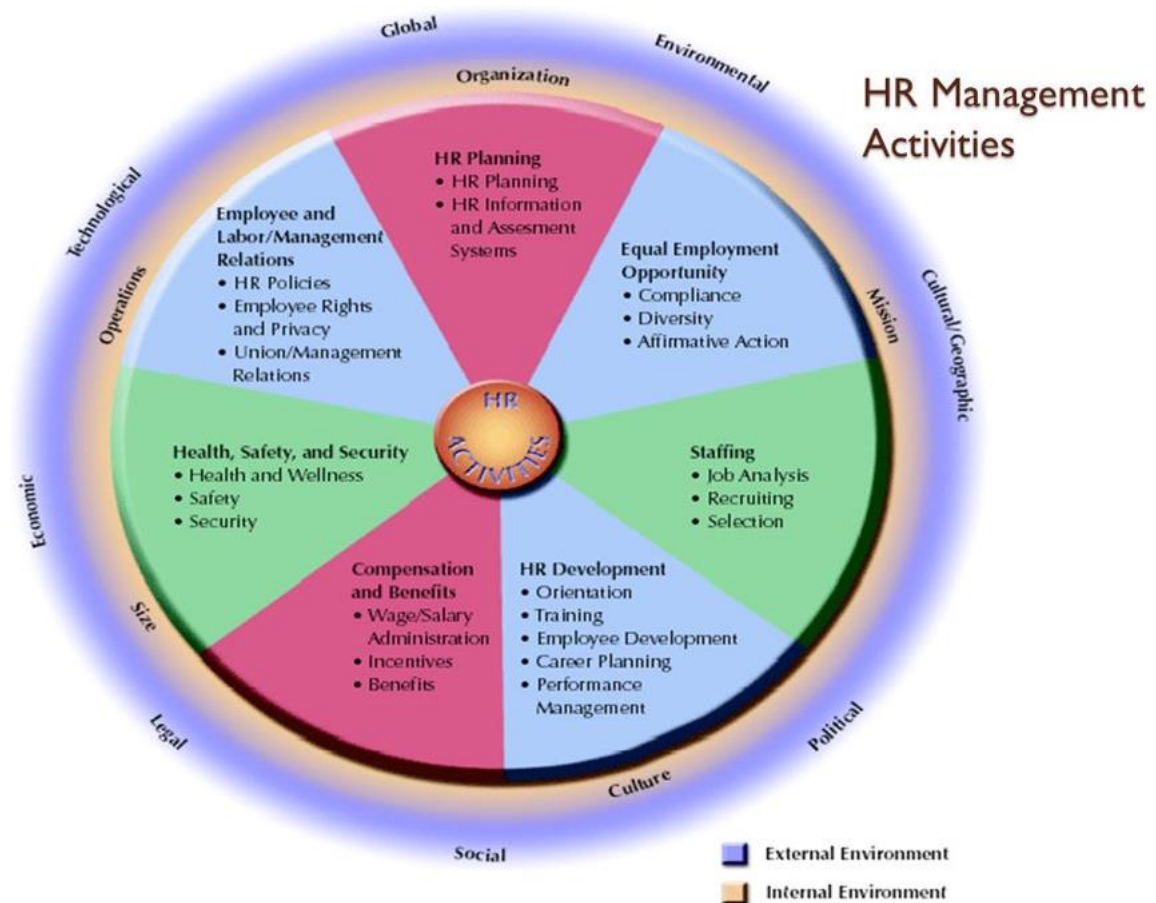


Figure 2: Human resources management functions

Source: Jackson, M.: *Human Resource Management, Essential Perspectives, 6ed*, South-Western, 5191 Natorp Boulevard, Mason, OH 45040, USA, 2011

1. Strategic management - as part of maintaining organizational competitiveness, strategic human resource planning can be increased by using data/measures in line with technology.

2. Equal employment opportunities - respect or harmonization of equal employment opportunities under the law and regulations that affect all other activities.

3. Staff - the aim of the staff is to provide enough qualified individuals to fill jobs in the organization. Employees, job description and job analysis lay the foundation for staff by identifying what people do in their jobs. Through planning, managers can anticipate future supply and demand for employees and the nature of labour issues, including employee retention. These factors are used in the employment of the applicant requirements for job creation. The selection process refers to the selection of qualified individuals for filling vacancies.

4. Talent development and management - starting with directing new employees, talent management and development involves different types of training. Career planning identifies pathways and activities for individual employees as they move within the organization.

5. Total rewards - rewarding people for doing their jobs in the organization. That to be competitive, employers develop and refine their basic compensation systems and can use a variety of pay out programs, such as incentive rewards.

6. Risk management and safety at work - employers must address various risks on jobs to ensure the protection of workers by meeting legal requirements and be more sensitive to health and safety in the workplace.

7. Employees and labour relations - the relations between the manager and his employees should be managed in a legal and efficient manner. It is important to develop, communicate and update policies and procedure so that managers and employees alike know what is expected.

Job analysis

Real, direct, operational activity in the field of human resources begins with the analysis of workers places and jobs and by judging the worker 's peculiarities in the atmosphere of demands arising from tasks related to the workplace or job. We can define the analysis of work and jobs as a process of organized collection and arrangement of relevant data and information on jobs, required knowledge and skills, responsibilities and other requirements necessary to perform a particular job. The analysis of work and jobs is collection of necessary information about what kind of executor is needed for a certain job, what kind of knowledge and abilities he should possess, what results/effects should be achieved and how it is possible to monitor and evaluate performance, how it is necessary and optimally possible to pay for his work, which dangers are connected with the performance of work for the safety and health of the employee and in what way they are possible to prevent, and how to create an optimal work environment.

Business analysis achieves multiple benefits to the organization, and a well-conceived and implemented analysis includes:

- ☐ determining the job description and the number of workers for each job
- ☐ determining the conditions that must be met to perform a particular job
- ☐ defining the relative value of work, in order to determine internal and external fairness reward system
- ☐ defining the relationship of superiority and subordination
- ☐ defining general principles, rules and methods of work, etc.

Job planning

Human resource planning is a process in which overall organizational strategies, goals, plans and programs turn into a number of people with the appropriate knowledge, skills and capabilities necessary to ensure organizational success and

development. Planning is a managerial function. The human resources plan works for human resource management based on the management plan of the company as a whole. The human resources plan follows the strategic plan of company and its intention is to ensure and maintain the number and quality of employees, to achieve their maximum productivity, and anticipate problems caused by potential surpluses or labour shortages.

To make a quality human resources plan, company management as well as managers of human resources need to know the answers to the following questions:

- ☐ How many people are needed to realize the business plan?
- ☐ People what skills, knowledge and abilities should be sought?
- ☐ How to provide the necessary people?
- ☐ How to prepare current employees for future business needs and requirements?

But in order for the management to get timely and quality answers to the previously set issues it is necessary to conduct an assessment of existing human resources and assess future needs for human resources, and develop a program to meet these needs.

Recruiting

Procurement of human resources is a process of attracting to vacancies candidates who have the abilities, skills and traits needed to do business successfully and achieve goals. It is a process of aligning the professional preferences and goals of individuals with preferences and needs of the organization, which means that it is necessary to take into account the wishes and the needs of potential candidates, so that the whole process would not only end in attraction, but and on the retention of candidates. The recruitment process in Scholtes Group is shown in the figure below. It shows the recruitment process for a new job or an existing job. At the beginning they set themselves up selection criteria and the job is then advertised. Advertising can only be done by a company or can use the help of agencies that perform all the necessary formalities and recommend and contact candidates. When the application deadline ends, all CVs received are categorized into appropriate and inappropriate. If the above candidates are unsuitable, they will not enter the process and they

will be notified of a negative outcome due to non-compliance with the criteria listed in the conditions for application and employment.

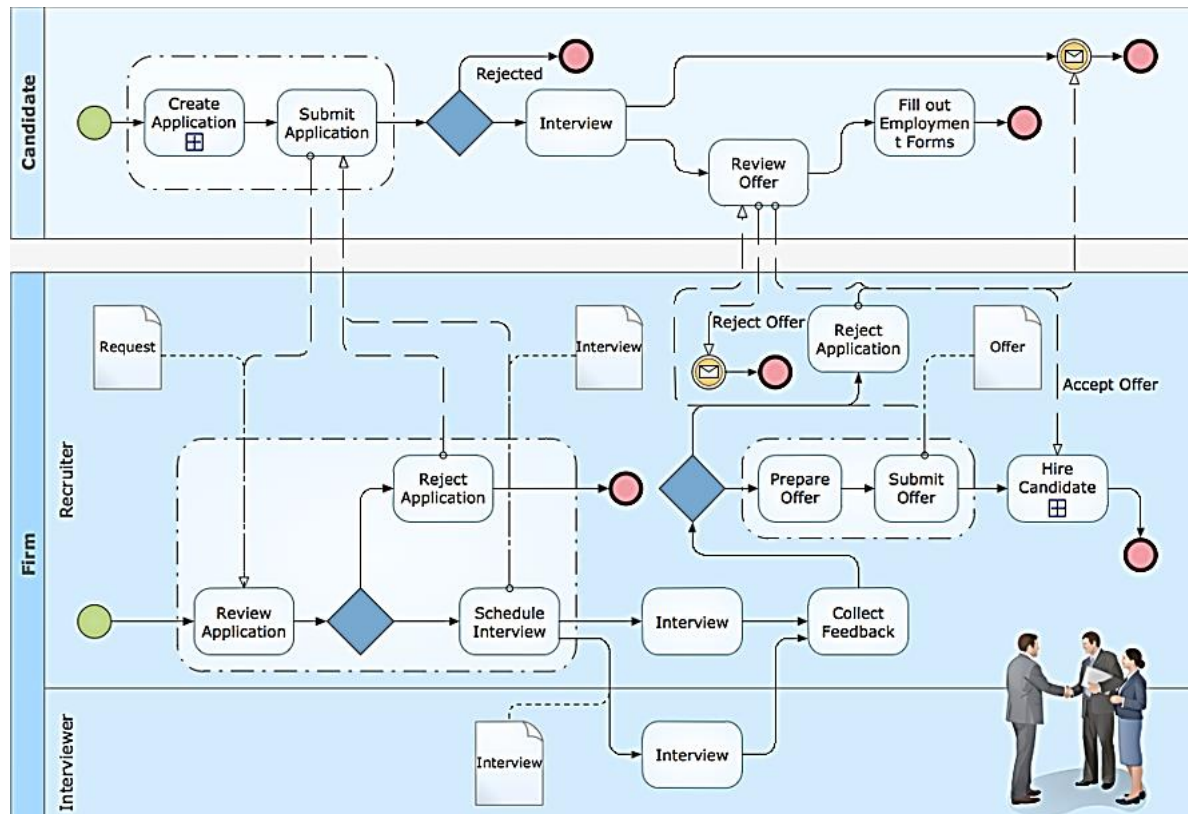


Figure 3: Recruitment process with selection method

Source: <https://www.conceptdraw.com>

The recruitment process begins with the human resources manager. If there is an existing potential one in the workplace, the company can employ or promote an employee who is already employed in the company. This reduces unnecessary complications and additional costs. Qualified staff within the company can also be used for a new job if there is, and if not, the advertising process starts again. After the selection, the manager contacts potential candidates and schedules an interview. When done interview, again the selection of better candidates from the total potential and so on in several times until the commission decides to hire the best candidate. When the commission decides to hire the best candidate, he is notified by phone call, and the first working day is arranged.

Selection of human resources

Selection is the process of evaluating a job candidate and predicting his or her job performance. It represents the identification and choice between several candidates, whose knowledge, abilities, characteristics and motivation to the greatest extent correspond to the demands of the job. The selection process involves to first determine the characteristics necessary for the efficient performance of a particular job, and to then each of the candidates is evaluated according to how well he meets the required characteristics business. That means, selection involves the process of choosing between pre-recruited candidates, i.e. assessing the candidate's ability to perform the required jobs, and that is can be done in two ways, or approaches:

- precisely define the job requirements, i.e. the job to be filled and then look for among the candidates are those who meet them best
- perform a comprehensive review of the candidate's characteristics, based on that make a ranking list and choose the ones that have the highest grades on the list

Selection methods and data sources on candidates are divided into four groups:

1. Application forms - application forms are used as a direct way of giving a standardized summary history of the applicant. This helps candidates to present themselves in advanced certain structure, which speeds up the sorting and narrower selection of applications for examiners, as well as providing a starting point for personnel records. Application forms are usually done electronically that speed up the selection process.

2. Self-assessment - may include asking questions about previous work experiences relating to the job being applied for. This may include video, informal talking to an employee or further providing information sent with the application.

3. Telephone interview - can be used if speed is particularly important and if it is geographical distance problem, in order to talk to suitable candidates agreed immediately.

4. Testing - psychological tests, drug tests, alcohol, ability, intelligence, achievement, personality, astrology, etc. It is mostly conducted for higher positions, professional graduate jobs. In some cases, it can also be used for a wider range of jobs.

Here we will show you test taken by HR in Scholtes Group for various positions.

Psychological test – this test is majority used for warehouse worker who is driving forklift. The reason behind this test is to check if employee can work under pressure and work twelve long hours. Due to the infrastructure of this industry, warehouse worker needs to work in long week and short week.

They must work twelve hours shift three times a week and twelve hours shift for two days in next week. We asked the company, why they have this structure and they reply was, that as it is a heavy work with machine and parcel, warehouse employee needs full next day of recovery for his mental and physical health. They also informed us that due to location being outside of the city, warehouse workers need to travel one hour from their home to work, thus warehouse workers prefer long and short week for twelve hours a day.

In psychological test they analyse, if candidate is not aggressive or short tempered, as they work with heavy machine and sharp instruments. Company tries to avoid conflicts within warehouse. They even play calm music of piano, violin in warehouse in low volume to make good mood of warehouse workers. In Scholtes Group warehouse worker can take break of two hours. Free coffee, tea, croissant, cereals, fruits are being served complementary.

Example of questions they ask in psychological test:

- 1) Tell us about when was last time you get angry and how was your reaction?
- 2) Let's imagine we hire you, but we fire you after couple of months even you worked good?
- 3) We all have co-worker we dislike, tell us reason why you dislike them and how you deal with them and work efficiently?

Drugs/Alcohol test: Every employee must go for drug and alcohol test before entering workspace. This test is only for senior crane drivers who is responsible for big cranes.

Blood test every 6 month: Scholtes Group takes blood test of warehouse workers to check if they don't have high blood pressure, diabetes. As we know twelve hours of constant pressure can make employees sore and numb and even sometime sleepy during the night shift, therefore there is always bed available for worker to sleep for 2 hours.

5. Successfully completed selection means the accepted candidate will effectively perform the tasks for which he is in charge, in accordance with the criteria and rules that are set by the organization itself. Thus, it can be concluded that the basic goal of the selection process is to forecast and maximize the future work performance of employees and of the whole organization.

Remuneration system

Now let's discuss about how Scholtes Group keep employees motivated to work even under lots of pressure at work. There are two types of motivation:

1. Internal motivation - only generated factors that affect employees to behave in a concrete way or to strive in a certain direction. These factors include responsibility (feeling that work is important and having control over their own resources), autonomy (freedom to act), manner of use and developing the skills and abilities.

2. External motivation - what has been done or has yet to be done to employees be motivated. This includes rewards, such as raises, compliments or promotions, but also penalties such as disciplinary action, denial of pay or criticism. External motivators can have an immediate and powerful effect, but it doesn't necessarily last long, however internal motivators dealing with "quality of working life" are likely to have deeper and a longer-term effect because they arise inherently from the individual rather than imposed from the external environment.

Examples of employee motivation in Scholtes Group:

- ☐ relaxation centres: every warehouse worker has free massage voucher on birthday
- ☐ sports and recreational activities: gym, badminton court is established in warehouse
- ☐ professional seminars abroad and at home: training for new managers, subordinate of supply chain to understand and improve operation better and effectively.

- programs for trainees - trainings for products and trainings for social development competencies: negotiation technique, teamwork, project management, competence in presentation, etc.

- employee programs: Christmas parties, team building, summer parties, hiking trips

- logistics games and workshops: every manager needs to work with hands in warehouse for each day, so they understand to plan better and not to mismatch couriers

- creating a pleasant working atmosphere: complementary water, coffee, tea, croissants available

- raises and other benefits: 3% yearly raise for senior manager

Remuneration management deals with the formulation and implementation of strategies and policies the goal is to reward people in an objective and fair way and is constantly in line with their value for the organization and thus help the organization to achieve its strategic goals. It is deals with the design, implementation and maintenance of reward systems aimed at satisfying needs for both the organization and the stakeholders. The purpose and goal of rewarding can be:

- reward employees according to what the company values and wants to pay

- rewarding employees for the values they have created

- create an overall rewarding process that recognizes the importance of financial and non-financial rewards

- motivate employees and gain their commitment and engagement

- develop positive working relationships

- act fairly - employees feel treated fairly or unfairly in accordance with their achievements, efforts and values that possess

- apply equality - employees are rewarded appropriately in relative to others, e.g., equal amounts of wages for work of equal value

- work transparently - employees understand how the reward process works and affects them

In Scholtes Group a different Key Performance Indicator (KPI) has been used. In the all KPI mentioned below with figure are for test for this thesis just to show how Scholtes Group is working. Due to privacy and business policy they were not able to give me screenshot of actual system with data. But they use this system and we created sample for thesis

Truck Utilization

On-Time Dispatch

On-Time Delivery

Truck utilization: its measurement between capacity of truck in term of weight and actual utilization of truck. It helps company to count revenue per truck per mile. Scholtes Group measurement given below.

For example, company charges 0.02 Eur per kilo per kilometer, they have transport of 100 kilograms (kg) from Bratislava to Zvolen. If they have small parcel with metal inside and capacity of truck is 300 kilograms, they can still put some items to cover their cost and make some profit.

Calculation would be $0.02 \text{ Eur} \times 100 \text{ kg} \times 200\text{km (Bratislava to Zvolen)} = 400 \text{ Eur}$ plus extra parcel to cover weight and capacity of truck.

But imagine truck is taking 50 kg of clothes with full truck. There is no space in truck to put more parcel, so when we do calculation $0.02 \text{ Eur} \times 100 \text{ kg} \times 200\text{km (Bratislava to Zvolen)} = 200 \text{ Eur}$ and no extra weight .

This KPI shows if the truck was loaded with their weight capacity, as they charge their customer on weight.

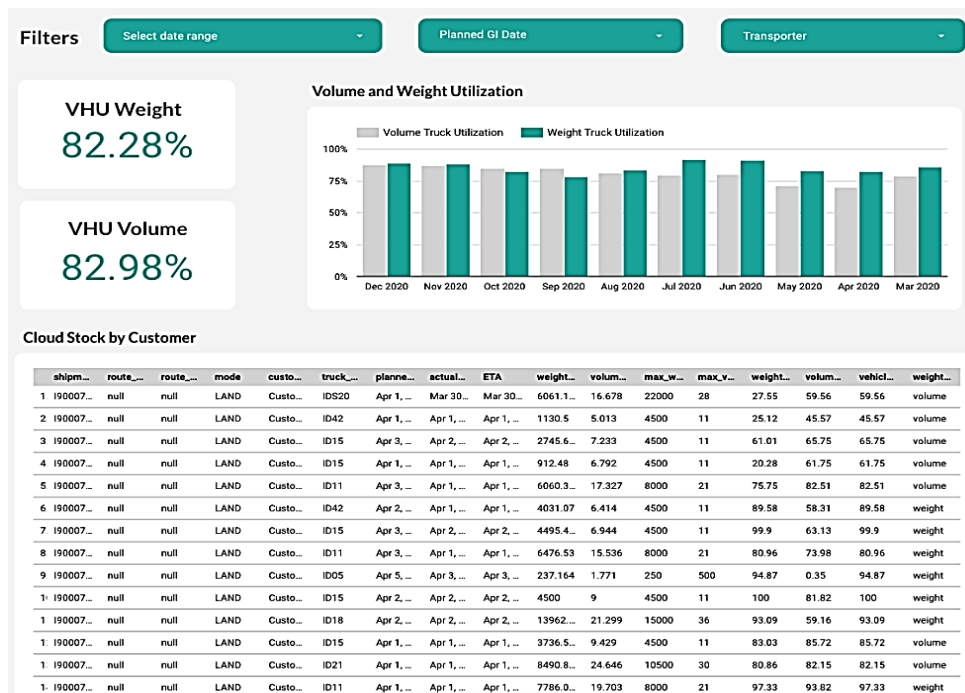


Figure 4: KPI of truck Utilization

Source: own work with Scholtes Group

On time dispatch: the driver you dispatch goods on time can be also monitored and calculated in report. There is tracker in all truck of Scholtes Group with GPS monitoring devices inside truck motherboard. This system sends signal the moment truck leaves the warehouse. Process of this system is as follows:

Truck came back to warehouse > Driver waiting for truck to be loaded > Driver controlling and reporting back how many kilometres he has driven > Taking drug and alcohol test > While driver is busy, truck inspector checks truck if driver did not damage the truck > Truck inspector approves the truck > Goods are loaded and ready to dispatch > Driver has new barcode on his windshield which is scanned at main door > After scanning of barcode is done, system sends message through ERP system to respected manager and registers the entry for dispatch for truck

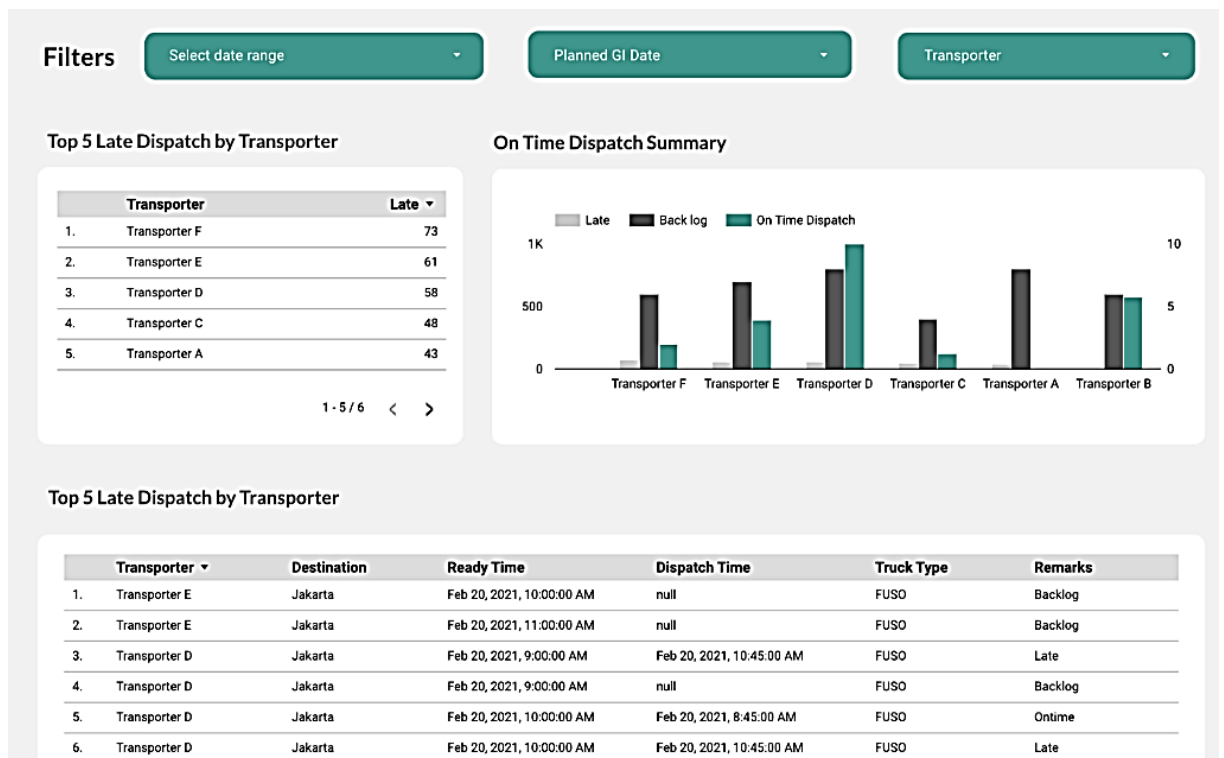


Figure 5: On - Time dispatch

Source: own work with Scholtes Group

On time delivery: when the truck arrives at destination, they have to pass via same barcode scanning process. Truck barcode at windshield scanned and automatic message will be given to respected manager who is in Zvolen warehouse.

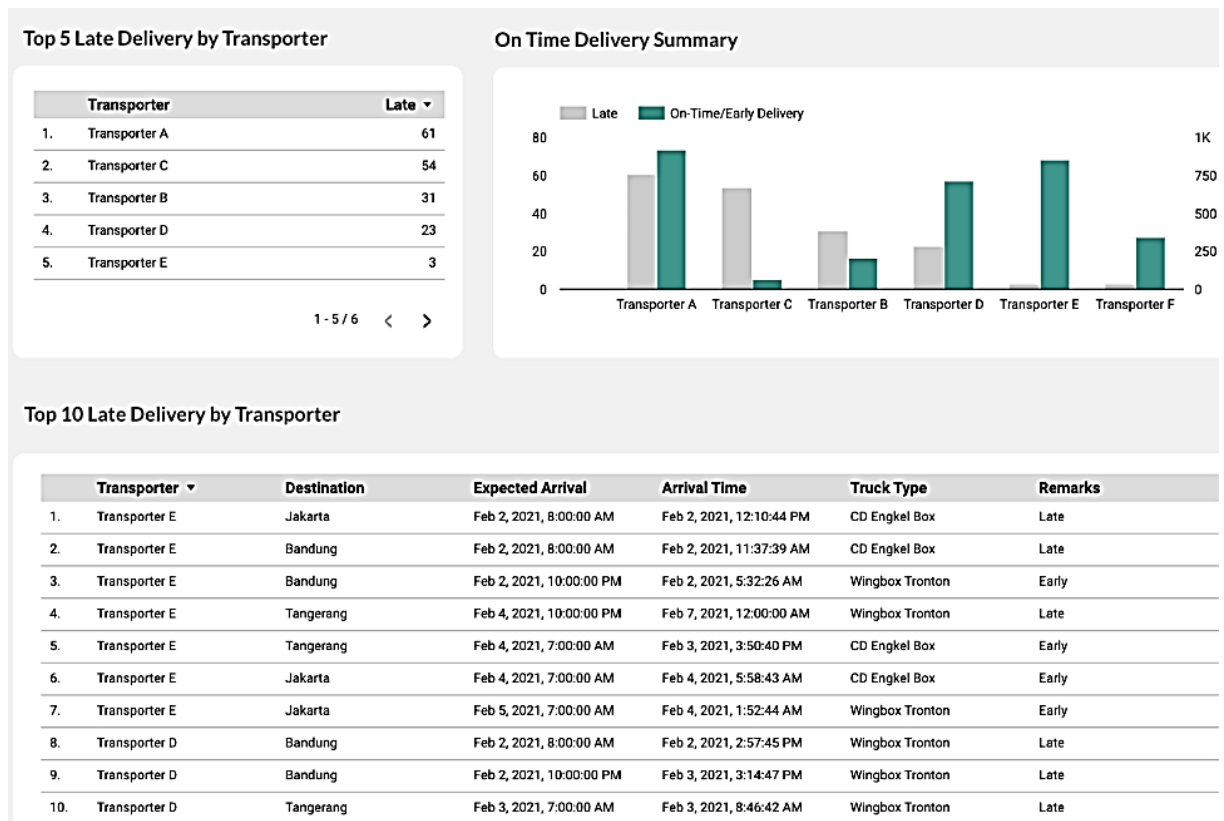


Figure 6: On time delivery KPI

Source: own work with Scholtes Group

Here we showed you how KPI works in logistics company. Now we will discuss the reward structure of company.

Company provides extra 100 Eur for Junior Manager in Loading department for better utilizing truck weight and volume more than 89 %. Reward is monthly and average is calculated.

Company rewards 50 Eur for a driver who does on time dispatch and delivery. They should have 90 % in KPI to get this reward.

Education and employee Position in a logistics company

You can think of it as a candidate persona. As technology becomes an integral part of logistics operations, employees at all levels require a general understanding of technological applications and processes. With the implementation of different data monitoring and recording systems, employees require the ability to convert data into

information and effectively manage that data. In logistics at a higher level, you will also need to be able to think strategically about applying the technology in order best used by technology as a competitive advantage. Employees involved in the selection, implementation and enforcement of technology systems must be aware of the continuously changing applications and their capabilities you should possess general supply chain training to achieve company strategies and goals. According to the research, certain companies keep up with technological changes and keep them used, while some companies indicate that they only possess the skills to use such technologies. The results of the research, indicate that, as a rule, employment in all sub-functions supply chain will either remain constant or increasing, with special emphasis on operational warehousing positions and tactical and operational logistics information systems. Overall, the employment profile is predominantly male, experienced and educated. The table below shows profile of employees and minimum experience required.

Career level	Position	Minimum Experience
10	Site Manager	7 years
9	Operations Manager	5 years
8	Cross Functional Trainee	4 years
7	Area/Department Manager	4 years
6	Manager Trainee	4 years
5	Team Leader (Supervisor)	4 years
4	Team Leader Trainee Roles	3 years
3	Cross Functional	1 year
2	Clerical	3 months
1	Material Handler	3 months

Table :1 career level in logistic company and experience required

Source: Scholtes Group Document

4.2 Sloneek HRM software used in Scholtes Group

Sloneek HRM software used by Scholtes Group is efficient HRM software. Scholtes Group uses Sloneek for: People management: Onboarding, Registration, Training of Employees and Offboarding. The main feature of people management in Sloneek software is

Employee Folder: HR department can create employee folder of each and every employee working in company. Folder can have all the information like birth number, passport information, health insurance card, home address, what type of tools he got from company, like mobile, laptop, company sim card number etc.

Competency model: competency development, it simply creates competencies linked to behaviours and skills. HR manager needs to create a competence structure, description of desirable and undesirable behaviour, grouping competencies into units, easily assign and run rating.

In Scholtes Group time management is also done by this HRM software, like absence, attendance, advanced reporting to HR department. Figure below is a photo of dashboard of Mr Peter Balog (HR manager) of Scholtes Group. In this figure you can see integrated calendar where he can see what certain employee from organisation required from him, i.e. approval of holiday or sick day.

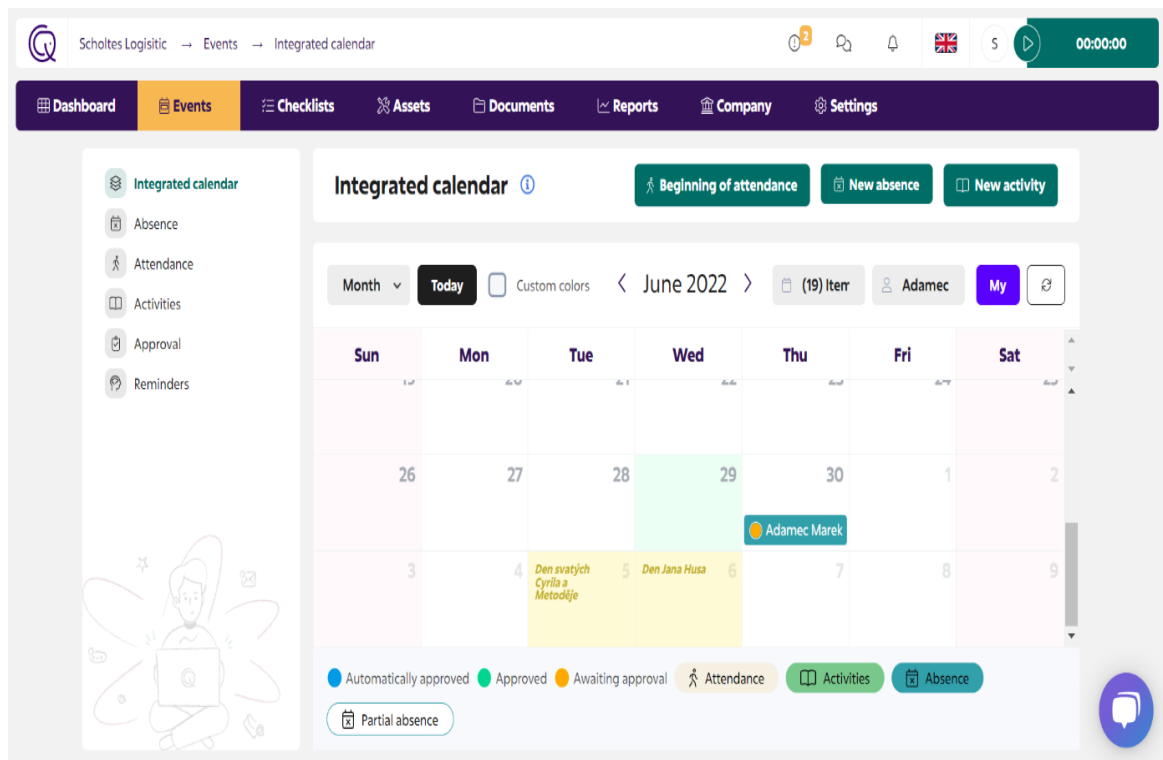


Figure 7: Integrated calendar of HR manager

Source: Company data by Scholtes Group

Figure 7 shows integrated calendar of HR manager. HR manager uses Sloneek software for better people management, task management, priority check-list management. As it shown in Figure 8 how HR manages their calendar in Scholtes Group. They have in calendar task as approval request, attendance list, daily and weekly activity management, priority task management. In priority approval list always is first sick leave and family emergency request. In calendar dashboard, sick leave and family emergency request will be always first priority in HR manager Sloneek dashboard

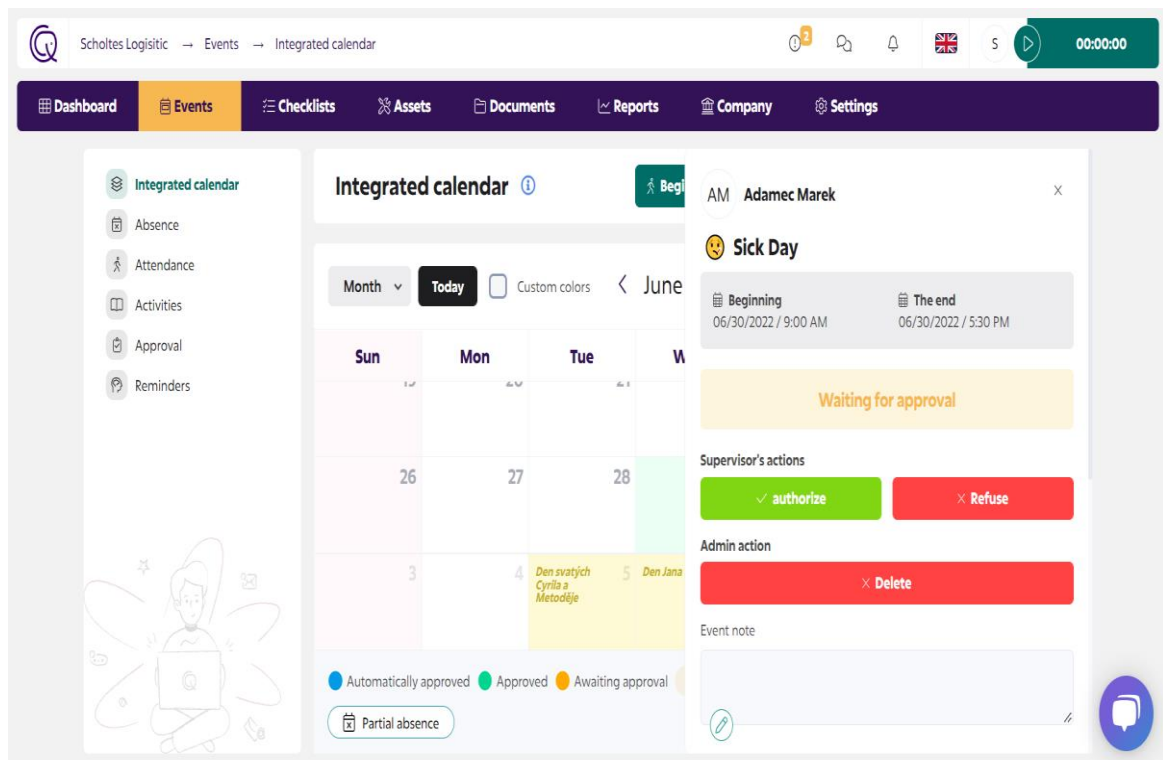


Figure 8: Employee send sick leave request to HR Manager

Source: Company data by Scholtes Group

Figure 8 shows us dashboard of HR manager regarding sick leave request by employee. In this request HR manager have choice to either approve it, reject it or delete it from approval list. HR manager also have option to write into events. For example if there is ongoing project and deadline is near, then HR manager can request employee to work home office instead of sick leave .

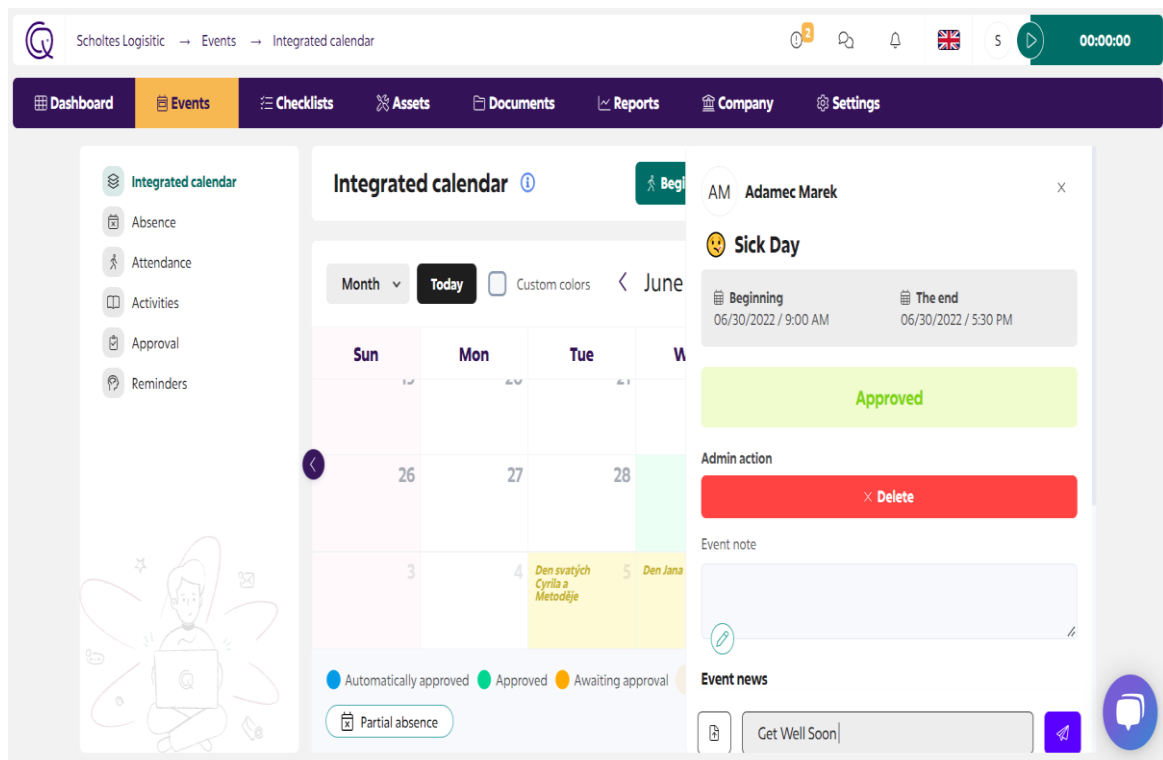


Figure 9: HR manager approved the request

Source: Company data by Scholtes Group

Figure 9 shows dashboard of HR manager after he approved the sick leave request of an employee. HR manager in this window cannot turn back the request after it got approved. HR director can counter the HR manager decision on request. In Sloneek system, as we can see, everything is well organised and in proper structure.

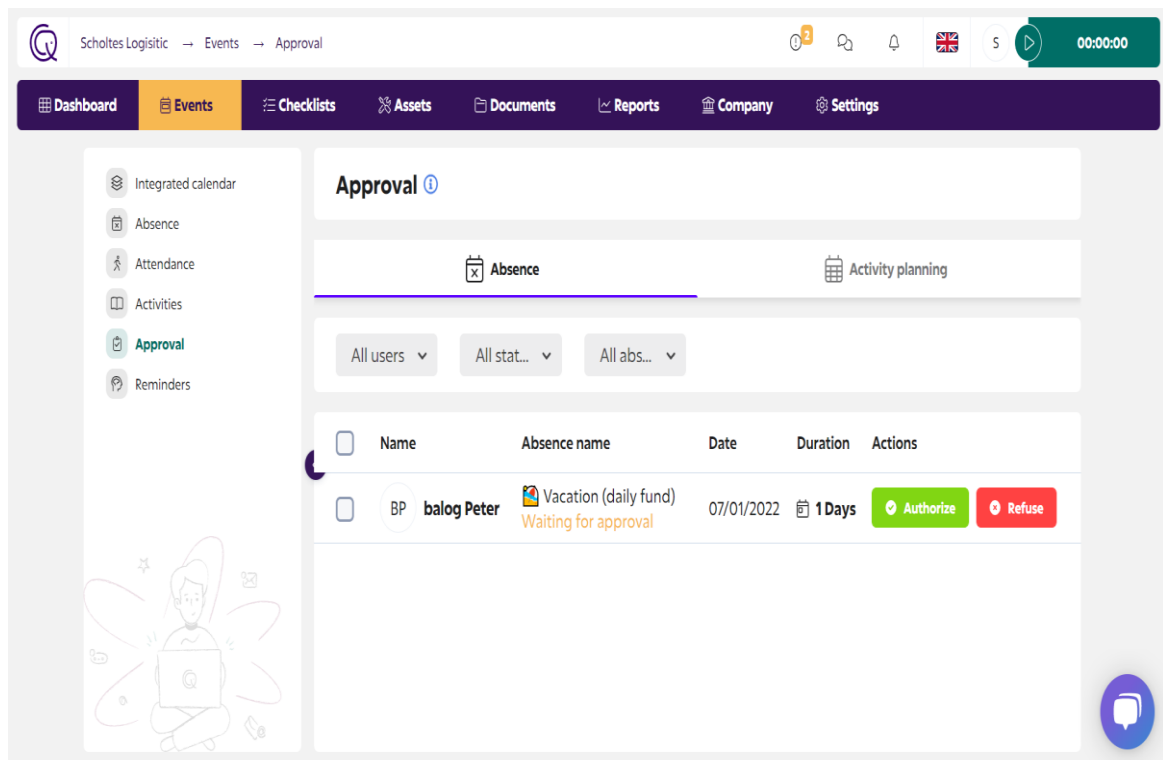


Figure 10: Employee requesting for holiday approval from HR director

Source: Company data by Scholtes Group

Figure 10 shows dashboard of holiday approval request. In this request HR manager can clearly check

- 1) How many holidays left for particular employee?
- 2) Do we have enough holiday fund?
- 3) Does this employee have extra holiday for his/her overtime?
- 4) HR manager needs to check with department manager

This parameter is checked by HR manager before granting the vacation. In Sloneek HRM system, vacation approval request is approved by HR manager and department manager. Department manager checks if there is space for vacation and no going on project with nearby deadline. Warehouse department manager Mr Miroslav Deak shared his experience, that there is always a problem to approve request in August as they have lot of work because all companies in Slovakia buy new inventory for business in August for December and new year business. So for company it is very hard to grant approval of vacation in August.

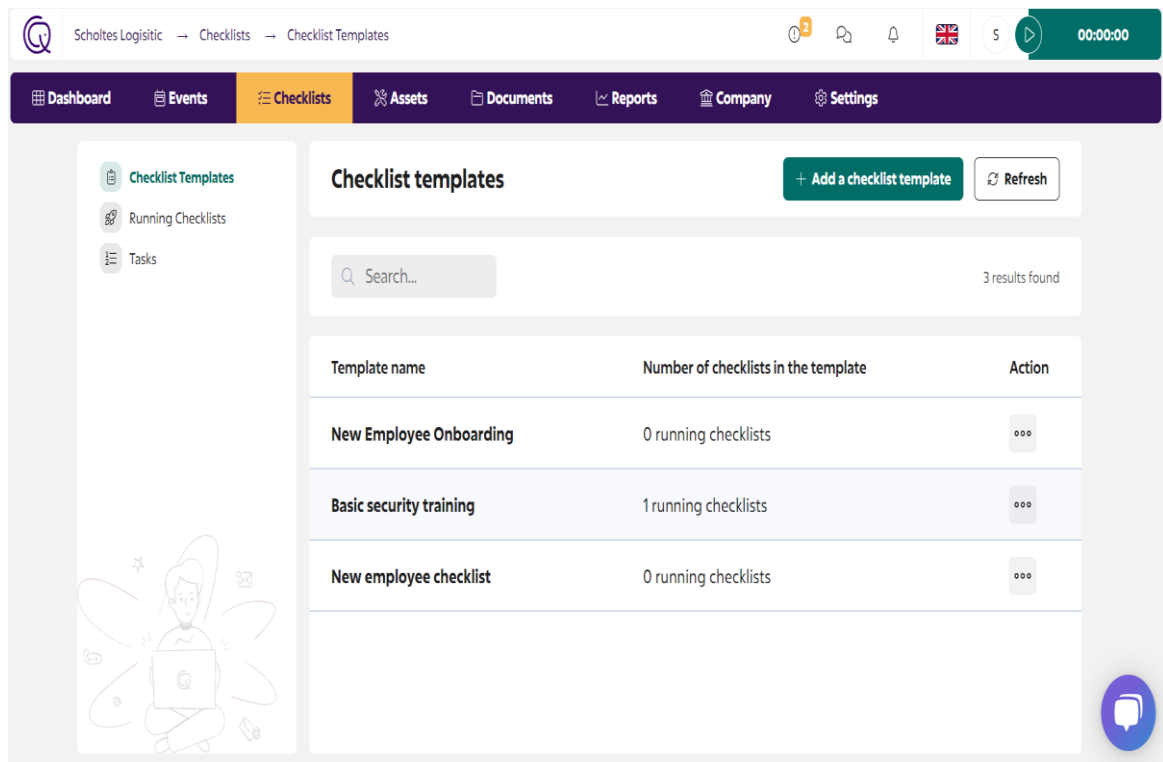


Figure 11: HR manager Checklist

Source: Company data by Scholtes Group

Figure 11 shows us HR manager dashboard with his checklist. Here HR manager can see the task which he needs to fulfil and action steps they need to do for completion of task. For example, new employee onboarding, safety training for new employee, fire exits training, CPR training, emergency exit door trainings. These are the trainings all employees go through before starting their work in Scholtes Group. Safety and security of employees is the main core of Scholtes Group.

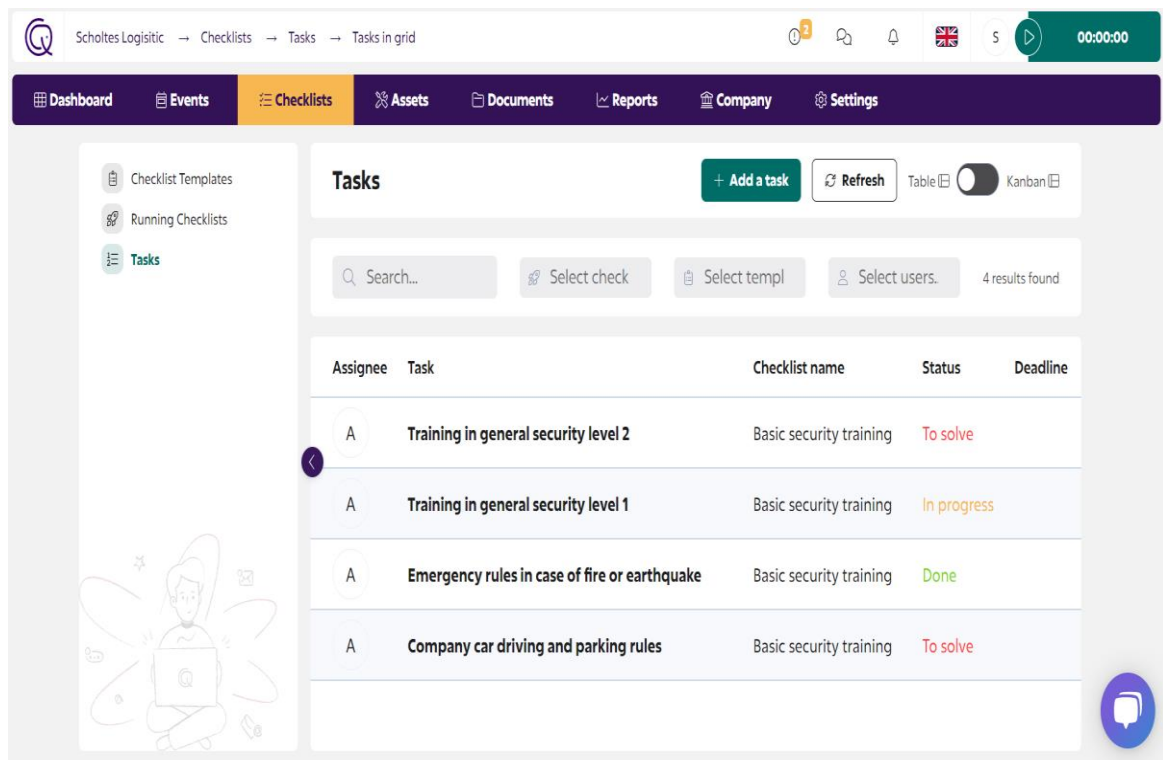


Figure 12: HR manager checklist with task current status

Source: Company data by Scholtes Group

Figure 12 shows us how HR manager can check the progress of work. In Sloneek there is function which shows status of particular task. If the task is On hold, In progress, Done, it becomes convenient for HR manager.

Scholtes Logistic → Assets → Utility management

Dashboard Events Checklists **Assets** Documents Reports Company Settings

My assets Assets management Assets categories Custom fields

Asset management + Add Import Refresh 5 results found

Search... Accept... Category

Action	Name	Holder	Inventory number	Category
...	iPad 12	Marek Adamec Waiting for confirmation	54562168451324568	
...	jabra	andrea muranova Waiting for confirmation	124679864531	
...	Notebook Acer	matej sevchenko Waiting for confirmation	145789465123	
...	Notebook HP	Ben pobaibo Waiting for confirmation	456497844894	
...	windows 11 setup	Simona Lubikova Waiting for confirmation	198465132666148	

Figure 13: Asset management by HR manager

Source: Company data by Scholtes Group

Figure 13 shows us how HR manager is using Sloneek for better asset management. In this dashboard he controls and checks the processing of assets like mobile phones, notebook for new employees, sim card setup, Cisco Jabra, Windows setup for new employee. HR manager can see progress of full asset management in this system from asset being assigned to employee on first day, to taking asset back from employee on his departure from company. This system helps HR to monitor where are the assets, planning of budget, circulation of assets in company, a need to improve asset model. For example, if employees in company have same problems with notebook Acer with battery malfunction, then HR manager can clearly monitor the problem and change the employee laptop from Acer to HP in whole company. In 2016 when Samsung Galaxy s6 model was banned in Europe then it was a huge challenge for companies to retrieve back all Samsung galaxy s6 model from employee due to lack of information, but with help of HRM system this process could be done in minutes by generating report with all necessary data.

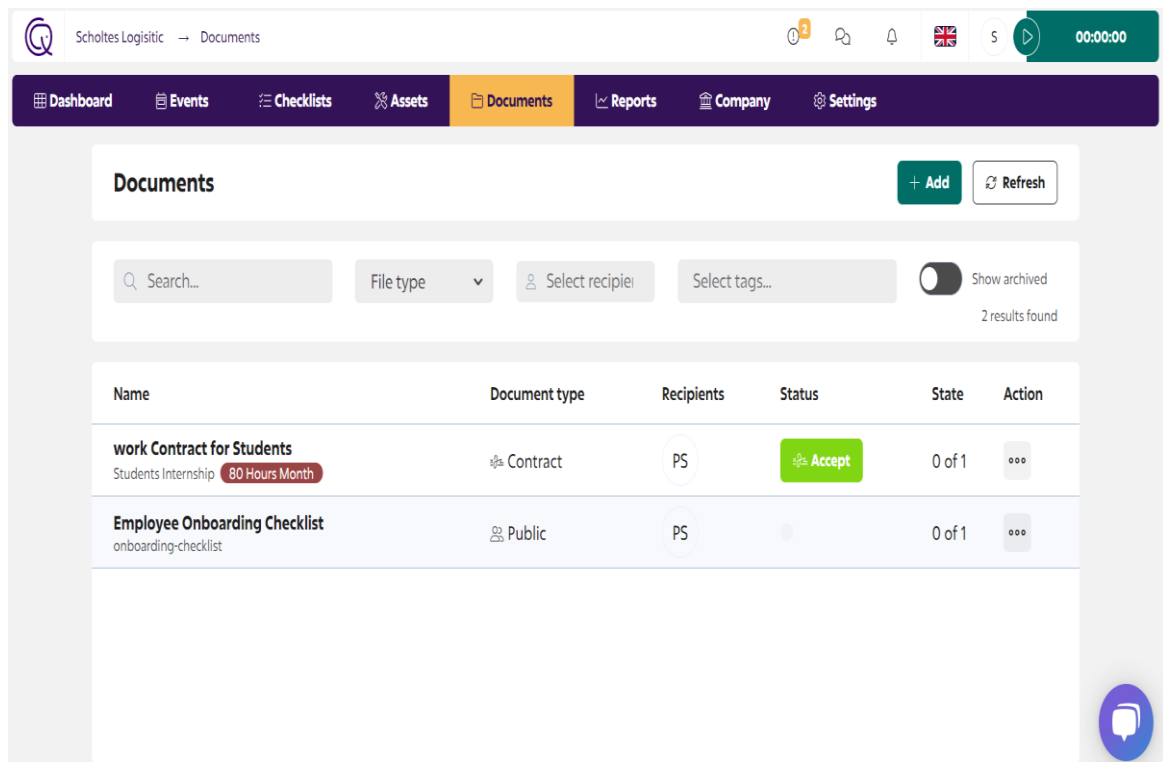


Figure 14: Dashboard of new student intern

Source: Company data by Scholtes Group

Figure 14 shows us dashboard of HR student intern, who is waiting for a renewal of his student contract. Company documents are signed electronically to save environment. Here we can see student view of system where he must sign document and see what task he has to do when joining the company. This photo is sample purpose only made for us to understand other employee dashboard views.

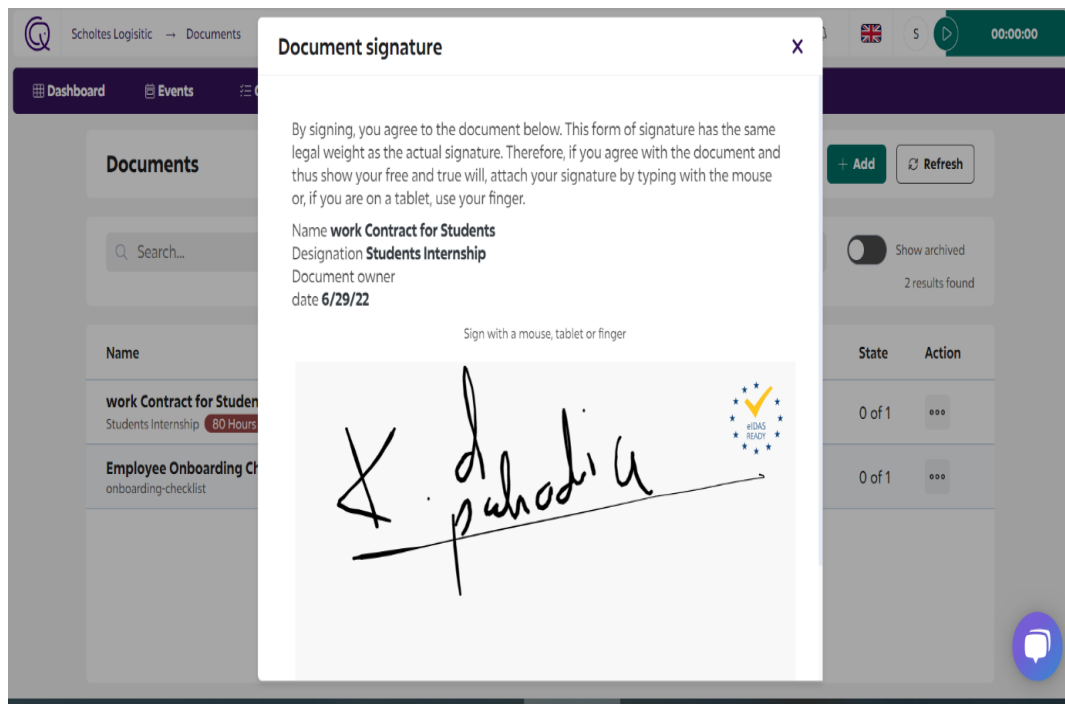


Figure 15: Digital Signature of student work contract in HRM system

Source: Company data by Scholtes Group

Figure 15 shows us how student is accepting the contract and signing digitally in HRM system. Student has choice to read the contract electronically, accept electronically and sign electronically. If he wishes to change term and condition in contract, there is an option in system where he can suggest changes in contract and send back to HR manager and department manager. As you see in above figure, there is clearly mentioned name of contract, designation of employee. It makes HR process faster and process driven. For example if company renewing contract of 20 employee with same designation, then for HR manager it becomes easy to send contract electronically without writing twenty different emails to each employee and then printing two copies of 30 pages contract for each twenty employee. As we see there is waste of paper, resources and time while using traditional methods of HRM.

The screenshot displays the 'Trust box' interface within the Scholtes Logistic system. The top navigation bar includes 'Dashboard', 'Events', 'Checklists', 'Assets', 'Documents', 'Reports', 'Company' (selected), and 'Settings'. The sidebar on the left lists 'Colleagues', 'Teams', 'Licenses and modules', 'Trust box' (selected), and 'Wiki Pages'. The main content area is titled 'Trust box' and features a 'New message' tab. Below the tab, there is a form with two sections: 'Write a message (max. 500 characters)' and 'Select an attachment'. The message section has a text area with a character count of '0/500'. The attachment section prompts the user to 'Click here or drag one PDF, JPG or PNG file here'. A yellow warning box at the bottom states: 'You are entering an anonymous message for administrators and company account owners. The message will be displayed anonymously to users: pahadia shannat, balog Peter'. There are 'Cancel' and 'Save' buttons at the bottom right of the form.

Figure 16: Trust box for anonymous complain to HR director and manager by any employee

Source: Company data by Scholtes Group

Figure 16 shows us how employee can generate anonymous complaint in the HR system and send to HR manager and HR director. According to us this is the most innovative way to find out the problems in department or teams. In organisation there work all category of people with different mindsets, thus it is management responsibility to take care of employees and check, if they are not being hurt directly or indirectly. Scholtes Group has HRM system of complaints in each and every mobile phone and tablet of employee. Employees including warehouse workers to department managers. Employees can add photo or video as evidence in complain box. Due to this feature employees have confidence and feel secure in case when harm is done.

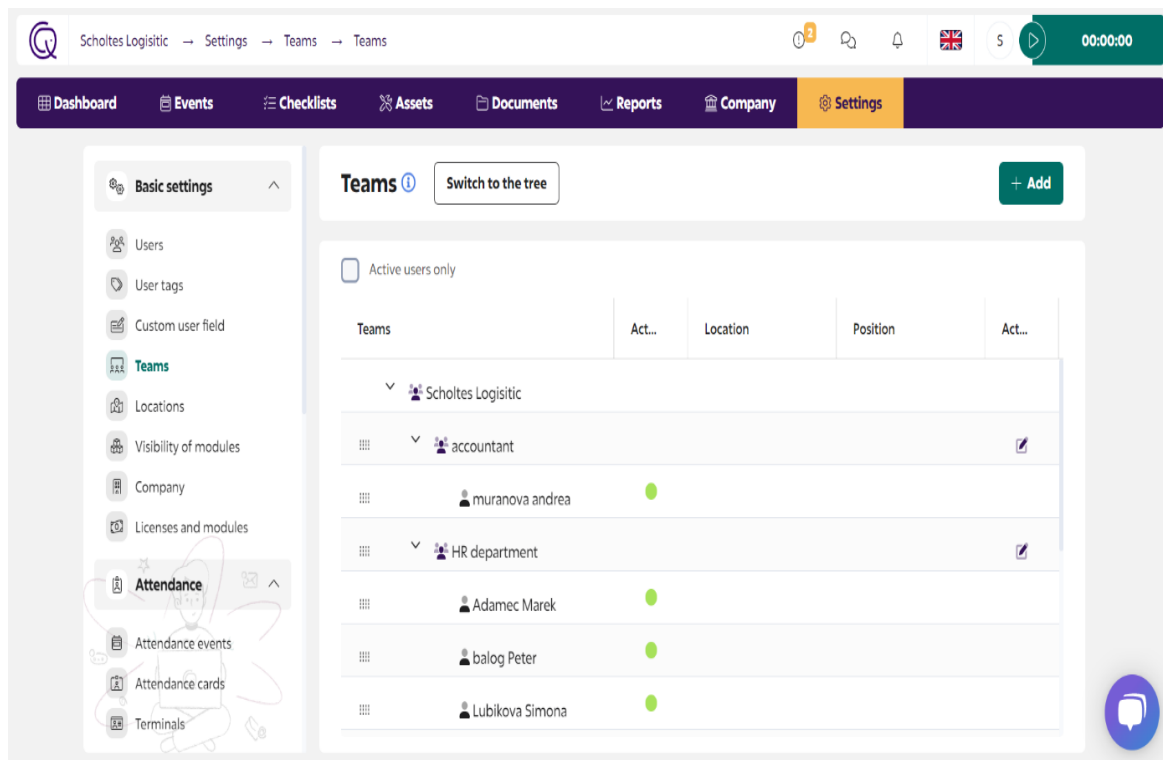


Figure 17: Show the organisation structure

Source: Company data by Scholtes Group

Figure 17 shows us how structure of organisation looks. This is very good feature to understand and know people of company and their work. For example, if warehouse manager would like to know and get connect with an accountant of company to consult anything with them, they don't need to go through long process of getting to the right person via other employees. They can just open organisational tree in Sloneek and understand their roles and responsibilities with contact details.

Discussion

The main aim of the thesis is to research the effect of application of digital innovations in HRM system. Considering our learning from Scholtes Group, we can clearly see Scholtes Group implemented digital HRM system into their company. During our interview with HR manager, he shared with us new trends of digitalization in HRM system. He demonstrated us with automate HR processes like creating and sending of documents and contracts in Sloneek system using just one button instead of spending all time with basic repetitive tasks and producing delays in company workflow. He chose to automate HR

process by using employee dashboards, granting access of relevant data to employees and managers, providing transparency and accurate information without compromising time and data security. Employee dashboard allows employees to manage their time off and managers to see their team leave balance and make informed decisions. Here is a list of effects of digital innovation on HRM in Scholtes Group:

- Recruitment: There was time in HR when HR manager needed to use traditional way of recruiting employees including job posting in newsletter, poster on building, hiring 3rd party agent which are usually charging one full month salary of employee as a commission. Digitalization makes recruitment process simpler and easier, now Scholtes Group just needs to put a job posting online on Profesia.sk, or on their company website. Scholtes Group also posts job posting on LinkedIn for professional managers and senior partners. With one job posting in digital platform like Profesia.sk LinkedIn.com they have access to millions of potential candidates. For hiring senior partner and manager company, they just check their profile on LinkedIn to ensure vision of employee, his behaviour, his team spirit. This all data company checks on basis of what type of post future candidates likes and what type of working environment he likes. In LinkedIn Scholtes Group also checks comments written by candidate present and ex colleagues.
- Selection: In Scholtes Group there is always a shortage of heavy crane driver employees, therefore sometimes they must select candidates from abroad like Netherlands, Germany, Finland. After recruitment they invite candidates for web meeting on Skype. There they discuss and analyse candidates by taking his exam. In interview they play one game with employee just to check his response and reaction in time. This game is very important part of selection process of crane driver as he needs to be very responsive in time.
- Renumeration: Scholtes Group has full centralized data and record where they can define KPI and motivate employees by giving them rewards. As we discussed in chapter Renumeration system, employees are motivated once company appreciates them for their work and provides them some benefits. With better KPI system it helps company have better employee experience, save time and money, recognize employee on basis of performance, promote employees on basis of performance.
- Training: In Scholtes Group with the help of automated HR process, all new employees get the checklist what to do on their first day. Checklist includes the

structure of warehouse, guide for HRM digital software, important and emergency contact details like IT help desk, security and reception contacts. As it is an automated process HR saves a lot of time on sending onboarding documents and email to all new employees. With Sloneek software HR can use automated onboarding feature where automatic email will be generated to employees on their first day at work with relevant files and information.

We also discussed about Scholtes Group using HRM software for efficiency, effectiveness and connection.

- 1) Efficiency: Usage of Sloneek technology in order to efficiently manage HR process
- 2) Effectiveness: Usage of Sloneek to upgrade old traditional time-consuming HR process to fully automated HR process, transparent KPI for better performance management, trust box for better communication
- 3) Connection: Scholtes Group posts on their LinkedIn company profile about job position, their values, structure of management, photos of their work space, environment for building emotional connection with future candidates and create social network.

CONCLUSION

The main aim of the thesis is to research the effect of application of digital innovations in HRM system. The object of the research is software support of HRM processes in the era 4.0 industry. Human resource management is one organizational function of the company, which is the goal achieving the set of strategic goals of the company. In order to do so, it gives guidance and tips for solving all the problems that people in the organization face. It hires employees, provides security, but also employee benefits, their motivation, communication in the office, handles the administration, also sends employees for further education and training that gives them help make everyday work easier. Good human resource management helps company employees help achieve goals efficiently and productively. It tries to increase the performance and satisfaction of employees by providing them with the necessary knowledge and skills to do their job as well as possible and create conditions that encourage and guide employees according to the goals of the organization. Human resource management is one planned approach to people management, which allows better employee efficiency. It is a more open, flexible and caring

way of management, which uses the motivation and development of employees to give the most of themselves in accomplishment goals. This department is open to communication, counselling and giving information to its own employees. He plans in advance his free resources which he uses to the best of his ability way. From its workers it makes experts who perfect their knowledge and use it professionally to achieve goals. Companies often have certain values that they want their employees to respect and develop. Some of them are loyalty, integrity, desire for the best results as often as possible emphasize in job advertisements, so that employees know what they are in addition to knowledge and skills expects from them. A job advertisement is the company's first contact with an employee. Job interview is another contact, in which the employee demonstrates his skills, and the required knowledge he has stated in the resume. The selection part allows the company to decide which of all the candidates satisfies all needs, or the highest part of them, and employs such a person. It is important that the person by his character fits into the working community and achieves successful results. Department which Human Resource Management helps in finding, selecting a new employee, and getting a new one the employee feels comfortable in the work environment. After that come new trainings, teachings, and motivating employees to their work and values that the department values such as trust, care and teamwork put on an even higher level. It is important to know that learning never stops, how new knowledge and technologies related to work, as well as building oneself.

Our personal experience and interaction with Scholtes Group makes us understand how HRM functions, how processes are taking place, along with good HR management tool like Sloneek. With digitalization and technology there is fairness between employees and also transparency between employees and employer. We would conclude with statement, Scholtes Group is doing traditional HRM practices with new, profound HRM software like Sloneek. Their structure of KPI, competency model, gives employees fair chance to be better and understand their strength and weakness. By proper set up of KPI employees do understand their mistakes and try to improve and learn from it.

We would like to show our gratitude and respect towards Scholtes Group s.r.o for showing us their internal system, process and provided us necessary information we required for completion of this thesis. We have some suggestion and recommendation to Scholtes

Group, we see that labour works and stays in constant pressure in warehouse. We would like to propose to decrease working hours from 12 hours to 10 hours and timing of the job should be more flexible towards employee. Each week meeting should be held by warehouse manager to discuss what are the problems faced by warehouse workers, or if there is any way to improve it along with organisation strategy. We would also propose to have pick up and door to door drop service for all employees.

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