

Impact of Digitalization on Employee Satisfaction in IT Sector

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Abstract:

Since new business models are the result of recent digitization processes, digitalization is one of the primary forces behind the transformation of corporate work practices. In addition to the constant use of information technology in business, the IT sector must take care of its workers and guarantee their happiness. The purpose of this research is to evaluate how employee happiness in the IT sector is affected by digitization. Qualitative empirical research served as the foundation for this work. The purpose of the study is to investigate how employee happiness in the IT sector is affected by the digitization of human resources. What impact does new technology have on human resources? What role does new technology have in raising employee satisfaction?

Keywords: Information Technology, IT Industry, Employee Happiness, Human Resources, Digitization

I. Introduction

Management of Human Resources: The practice of overseeing an organization's workers is known as human resource management. It covers the hiring, choosing, training, assigning, and orienting of staff members. **Employee contentment:** The phrase "employee satisfaction" refers to the state in which workers feel content and joyful in their positions. Employee satisfaction increases the organization's productivity. Employees will not perform their jobs effectively if they are not happy.

Digitalization'S Effect on Hr Transformation

The difficulty of handling technological change in HR management inside a business serves as the starting point for this study. In this case, managers are the change agents who must get ready to handle the changes in a way that meets the needs of the company and its workers. How do businesses choose whether to implement technical innovations in HR management that are organized or unstructured? How can one overcome opposition to change?

In the contemporary business landscape, digitalization has become a driving force that shapes organizational operations, strategies, and culture. This transformation is particularly prominent within the Information Technology (IT) sector, where the very essence of the industry revolves around digital technologies. The IT sector has been at the forefront of the digital revolution, leveraging advancements such as cloud computing, big data analytics, artificial intelligence (AI), automation, and digital communication tools to optimize processes, enhance innovation, and improve overall efficiency. However, the consequences of this rapid technological adoption extend far beyond operational enhancements. One of the most significant impacts of digitalization is on employee satisfaction, as it reshapes the way employees work, interact with their peers, and balance their personal and professional lives.

Employee satisfaction is a critical factor influencing the success and sustainability of organizations. High levels of employee satisfaction are directly linked to increased productivity, greater retention rates, and a more positive organizational culture. Conversely, low employee satisfaction can lead to disengagement, high turnover, and poor morale, all of which can undermine organizational success. As the IT sector continues to evolve through the integration of new technologies, understanding how digitalization impacts employee satisfaction becomes increasingly important. While digital tools have the potential to enhance job satisfaction by improving efficiency, communication, and flexibility, they also introduce challenges such as increased stress, feelings of isolation, and work-life imbalance.

The impact of digitalization on employee satisfaction in the IT sector is multifaceted. On one hand, digitalization allows for flexible work arrangements, enabling employees to work remotely, access real-time data, and collaborate across different time zones. This flexibility often leads to greater job satisfaction as employees gain more control over their work schedules and environment. Furthermore, the introduction of automation and AI has the potential to reduce mundane and repetitive tasks, allowing employees to focus on

more strategic and creative aspects of their jobs. On the other hand, the constant connectivity facilitated by digital tools can blur the lines between work and personal life, leading to burnout and dissatisfaction. Additionally, the rapid pace of technological change may create feelings of uncertainty among employees, especially those who feel unprepared to adapt to new digital tools and processes.

The purpose of this research paper is to explore the nuanced relationship between digitalization and employee satisfaction in the IT sector. This study aims to assess both the positive and negative impacts of digital technologies on employees, with a particular focus on how these technologies influence job satisfaction, work engagement, and overall well-being. By examining existing literature, conducting surveys, and analyzing real-world case studies, this paper seeks to provide a comprehensive understanding of how digitalization is reshaping employee experiences within the IT industry. Additionally, the paper will offer recommendations for IT organizations on how to leverage digitalization to enhance employee satisfaction while mitigating potential drawbacks.

As organizations in the IT sector continue to embrace digital transformation, it is essential for employers to recognize the dual-edged nature of technology's impact on their workforce. By balancing technological innovation with a focus on employee well-being, IT companies can foster an environment that promotes both efficiency and job satisfaction. This research will contribute to the ongoing discourse on digitalization's role in shaping the future of work and will provide valuable insights for both practitioners and researchers interested in understanding the intersection between technology and employee experience in the modern workplace.

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researchers interested in understanding the intersection between technology and employee experience in the modern workplace.

III. Literature review

Review of Literature

HRIS was first proposed by DeSanctis (1986) as a "specialized information system within the traditional functional areas of the organization" to simplify the planning, management decision-making, and supervision processes of human resource management. More than ten years later, Haines and Petit (1997) described HRIS as a system for collecting, storing, altering, and retrieving data about an organization's human resources.

To define "eHRM," or electronic human resource management, they carried out research.

Bandarouk and Ruel (2009) stated that current HR technologies are targeted at managers and employees, while HR technology was mostly focused on HR departments until the mid-1980s. With managers, staff, and the HR department in mind, the author carried out the study.

Focusing on how digitization has affected human resource management, Strohmeier and Parry (2014) outlined some upcoming difficulties that the latter are likely to encounter. Human resources professionals have had to make significant operational and strategic adjustments in response to these so-called "digital employees"—a set of people whose attitudes, qualifications, and behaviors have been influenced by new digital technology.

"The process of transforming conventional signalling or data in any form into a digital format that can be understood by computer systems or electronic devices" is what Bhatia (2016) calls "digitisation." Palmer et al. (2017) used the Adobe corporate instance to illustrate how HRM has been affected by digitalization. Adobe transitioned to a cloud-based digital service provider in 2011 and ceased selling licensed goods in bundles. Both the employee and the HR function have changed as a result of the company's drastic development. In fact, since the digital revolution, human resource management has grown more diverse and people-oriented, which has increased interest in creating engaging projects. In order to adapt to the changes brought about by new technology and keep the company competitive, the HR department had to adjust the way it operated.

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IV. Objectives of the Study

- Examine whether employee satisfaction with digital HR differs.
- Analyse whether the following factors affect how satisfied employees are with digital HR.
- HR rules and processes workplace procedures and services gauge of performance instruction received the accessibility of digital HR services.

V. Research Methodology

Selection of Sample Size: In accordance with this, 50 employees were chosen at random from each department within the company, and questionnaires for feedback were collected. To investigate the effect of digital HR on employee satisfaction within the company, the data has been studied.

Sampling Technique Used: Random sampling is one technique that has been used in data analysis. Random sampling from a finite population is a sample selection strategy in which every item in the whole group has a comparable likelihood of being included in the pool of samples, and each prospective sample composition has a comparable probability of being selected.

VI. Data Analysis and Interpretation

1. Your Work Location?
50 responses

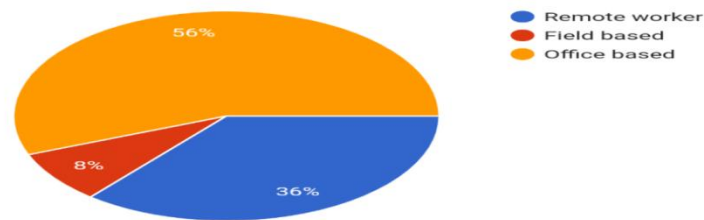


Figure 1 - REPRESENTATION OF WORK LOCATON OF EMPLOYEES

No. of respondents	Remote worker	Field Based	Office Based
50	18	4	28

Table 1 SUMMARY OF WORK LOCATION

Interpretation: Nearly 56% of respondents worked in offices, with the remaining respondents being either field-based or remote workers (see figure above). The remaining employees were field-based (8%), and 36% worked remotely.

2. Your Job Level?
50 responses

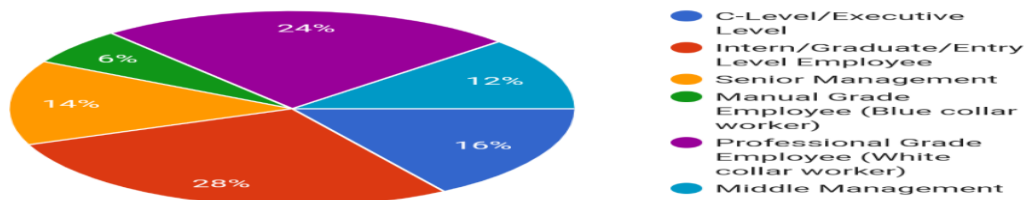


Figure 2 – Representation of Job level of the respondents

Total no. of employee	Intern/Graduate/Entry Level Employee	Professional Employee (White collar worker)	C- Level/Executive Level	Senior Management	Middle Management	Manual Grade Employee (Blue collar worker)
50	14	12	8	7	6	3

Table 2 – Summary of Job Level of the respondents

Interpretation: From the 50 respondents 24% were Professional grade employees (White collar worker) , 12% were middle management employees ,16% were C- level/ Executive level employees , 28% were Intern/ Graduate/ Entry Level Employees, 14% were senior management and the remaining 6% were Manual Grade Employees.

3. Your Age Category?
50 responses

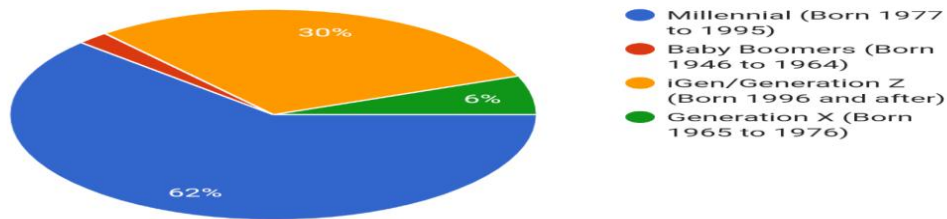


Figure 3 - Representation Of Age Category Of The Respondents

Total no. of employees	Millennial (Born 1977 to 1995)	iGen /Generation Z (Born 1996 and after)	Generation X (Born 1965 to 1976)	Baby Boomers (Born 1946 to 1964)
50	31	15	3	1

Table 3 – Summary Of Age Category Of The Respondents

Interpretation

In terms of age, from 50 respondents 30% are iGen/ Generation Z (born 1996 and after) , 6% are Generation X (born 1965 to 1976) , 62% are millennial (born 1977 to 1995) and the remaining are baby born (born 1946 to 1964).

4. Your work experience ?
50 responses

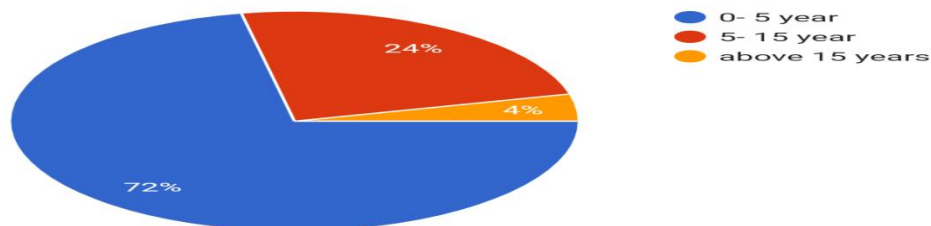


Figure 4: Representation Work Experience Of Employees

Total no. of respondents	0 – 5 years	5 – 15 years	Above 15 years
50	36	12	2

Table 4 – Summary Work Experience Of The Respondents

Interpretation

In terms of professional experience of 50 respondents, 72 % has an experience of 5 years and less than 5 years, 24% has an experience of 5 years to 15 years and 4% has an experience of more than 15%.

5. Since the digitisation of HR services and processes in your organisation please state how you would say the following has changed;

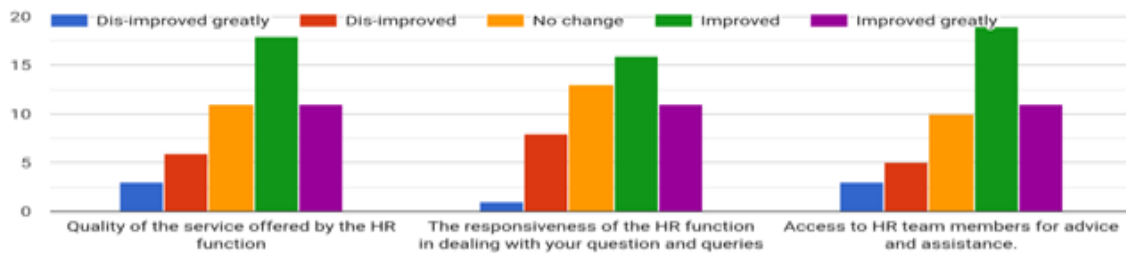


Figure 5 – Representation of evolution of HR services and processes since digitalization

5. Since the digitisation of HR services and processes in your organisation please state how you would say the following has changed;



Figure 5 – Representation of evolution of HR services and processes since digitalization

	Dis-improved greatly	Dis-improved	No change	Improved	Improved greatly
Quality of the service offered by the HR function	3	6	11	18	11
The responsiveness of the HR function in dealing with your questions and queries.	1	8	13	16	11
Access to HR team members for advice and assistance.	3	5	10	19	11

Table 5- Representation of Agreement scale of the respondents on the basis of the evolution of the HR services and processes since digitalization.

Interpretation

- In relation to Quality of service offered by HR function 58% employees give positive response of improve or greatly improve , 22% said that there is no change and 20% give negative response of Dis-improved greatly or Dis- improved.
- In relation to responsiveness of the HR function in dealing with your questions and queries 54% employees give positive response of improve or greatly improve , 26% said that there is no change and 18% give negative response of Dis- improved greatly or Dis- improved.
- In relation to access to HR team members for advice and assistance 60% employees give positive response of improve or greatly improve, 20% said that there is no change and 16% give negative response of Dis- improved greatly or Dis- improved.

6. Since the digitisation of HR services and processes in your organisation please state how you would say the following has changed in relation to policies and procedures;

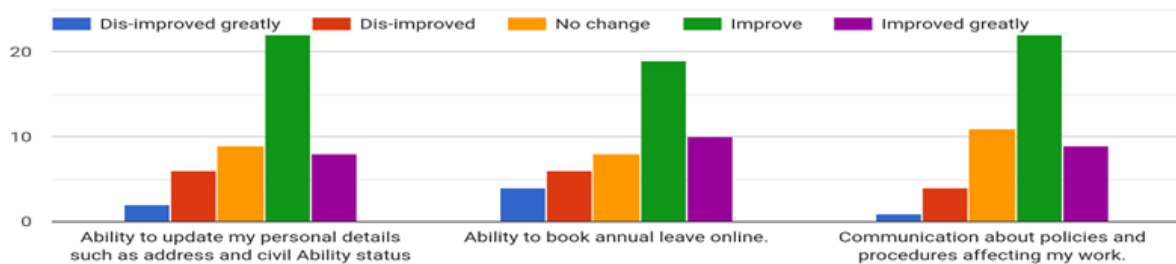


Figure 6 –Representation Of Changes In Relation To Hr Policies And Procedures Since Digitalization

Services	Dis-improved greatly	Dis-improved	No change	Improve	Improved greatly
Ability to update my personal details such as address and civil Ability status	2	6	9	22	8
Ability to book annual leave online.	4	6	8	19	10
Communication about policies and procedures affecting my work.	4	1	11	22	9

Table 6 – Summary of Agreement Scale On The Basis Of Change In The Hr Policies And Procedure Since Digitalization

Interpretation

- In relation to update personal details such as address and civil ability status 60% employees give positive response of improve or greatly improve, 18% said that there is no change and 16% give negative response of Dis- improved greatly or Dis- improved.
- In relation to book annual leave online 58% employees give positive response of improve or greatly improve , 16% said that there is no change and 20% give negative response of Dis- improved greatly or Dis- improved.
- In relation to communication about policies and procedures affecting work 62% employees give positive response of improve or greatly improve , 22% said that there is no change and 10% give negative response of Dis- improved greatly or Dis- improved.

7. Since the digitisation of HR services and processes in your organisation please state how you would say the following has changed in relation to recruitment and job vacancies;

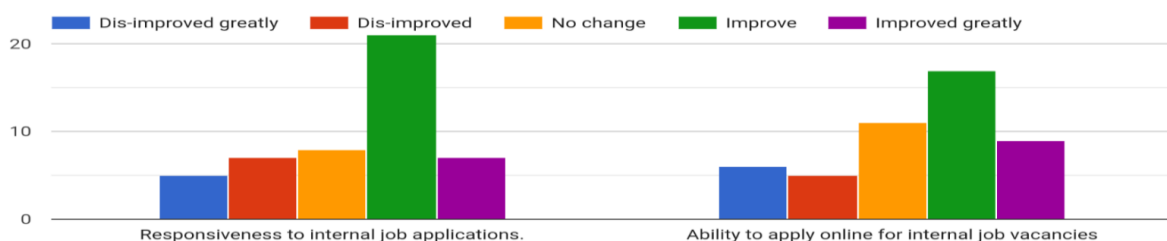


Figure 7 – Representation Of Reformation Of The Recruitment And Job Vacancies Since Digitalization.

Services	Dis-improved greatly	Dis-improved	No change	Improve	Improved greatly
Responsiveness to internal job applications	5	7	8	21	7
Ability to apply online for internal job vacancies	6	5	11	17	9

Table 7 Summary of Reformation of Recruitment and Job Vacancies Since Dizitalization

Interpretation

- In relation to Responsiveness to internal job application 56% employees give positive response of improve or greatly improve , 16% said that there is no change and 24% give negative response of Dis-improved greatly or Dis- improved.
- In relation to ability to apply online for internal job vacancies 52% employees give positive response of improve or greatly improve , 22% said that there is no change and 32% give negative response of Dis- improved greatly or Dis- improved.

8. Since the digitisation of HR services and processes in your organisation please state how you would say the following has changed in relation to performance management.

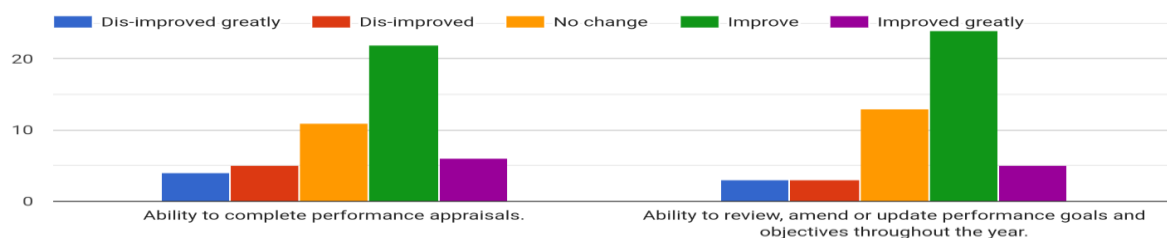


Figure 8 – Representation Of Permanence Management Modification In Relation To The Hr Services And Processes Since Digitalization

	Dis-Improved Greatly	Dis-Improved	No Change	Improve	Improved Greatly
Ability To Complete Performance Appraisals	4	5	11	22	6
Ability To Review, Amend Or Update Performance Goals And Objectives Throughout The Year.	3	3	13	24	5

Table 8 – Summary Of Agreement Scale In Relation To Performance Management Since Digitalization In Hr

Interpretation

- 56% of employees responded positively that their ability to do performance reviews had improved or considerably improved, 22% that nothing had changed, and 18% that it had greatly or poorly improved.
- Regarding the capacity to evaluate, modify, or update performance goals and objectives throughout the course of the year, 58% of employees responded positively, saying that they had improved or

significantly improved, 26% stated that nothing had changed, and 12% said that they had not improved or substantially improved.

9. In relation to the introduction of digital HR services in your organisation please indicate your level or agreement or disagreement with the following statements.

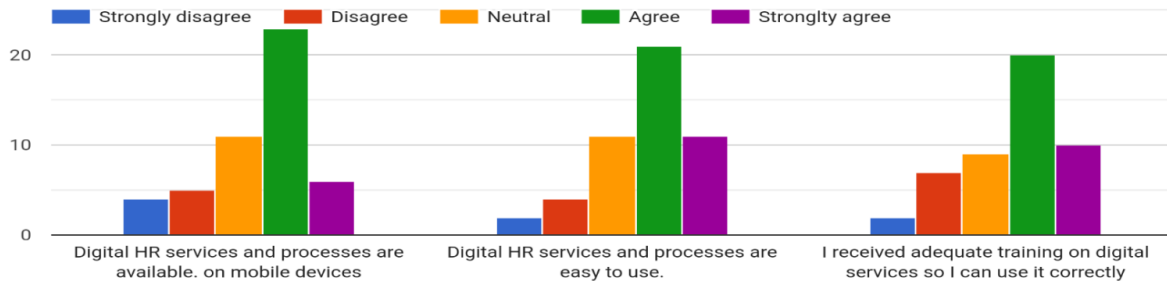


Figure 9: Graphical Representation Of Agreement In Relation To Hr Services Since Digitalization

Services	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Digital HR services and processes are available on mobile devices	4	5	11	23	6
Digital HR services and processes are easy to use.	2	4	11	21	11
I received adequate training on digital services so I can use it correctly	2	7	9	20	10

Table 9: Summary Of Agreement Scale In Relation To Hr Services Since Digitalization

Interpretation

- In relation to Digital services and processes are available on mobile devices 58% employees give positive response of improve or greatly improve , 22% said that there is no change and 18% give negative response of Dis- improved greatly or Dis- improved.
- In relation to Digital services and processes are easy to use 64% employees give positive response of improve or greatly improve , 22% said that there is no change and 10% give negative response of Dis- improved greatly or Dis- improved.
- In relation to employees receive adequate training on digital services so employees can use it correctly 60% employees give positive response of improve or greatly improve , 18% said that there is no change and 16% give negative response of Dis- improved greatly or Dis- improved.

10. Is Digital HR is helpful in providing better services during this COVID 19 ?
50 responses

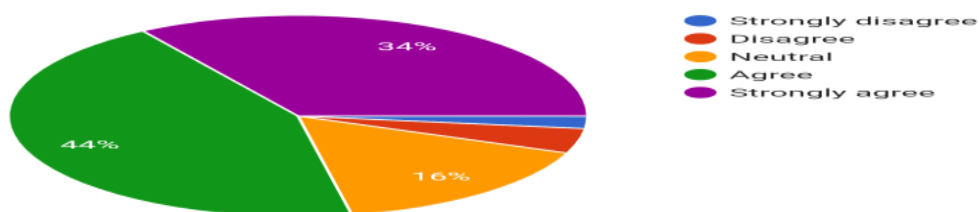


Figure 10: Graphical Representation Of Digital Hr Services During Covid 19

Total no. Of employees	Strongly- disagree	Disagree	Neutral	Agree	Strongly- disagree
50	1	2	8	22	17

Table 10: Summary Of Agreement Scale To Hr Services During Covid 19

Interpratation

In relation to COVID 19 is digital HR is helpful in providing better services , 78 % give positive response of agree and strongly agree , 16% give neutral and the remaining give negative response of disagree or strongly disagree.

VII. Findings

- The majority of 58% of employees responded favorably, with up to 22% of respondents saying that services and procedures have significantly improved since digital HR, and 36% saying that they have.
 - Regarding how quickly the HR department responds to your inquiries and concerns, Up to 22% of workers said they had much improved, while 32% said they had improved. The majority of employees—56 percent—respond favorably.
 - Concerning the availability of HR team members for guidance and support. The majority of employees (60%) responded favorably, with up to 22% saying they had significantly improved and 38% saying they had improved.
- Regarding updating personal information such residence and civil ability status, up to 16% of employees said it had much improved, 44% said it had improved, and the majority, 60%, responded favorably.
- The majority of employees (62%) responded favorably to communication regarding policies and procedures that affect work, with up to 18% saying it has greatly improved and 44% saying it has improved.
 - Up to 14% of employees said their response to internal job applications had much improved, 42% said it had improved, and the majority, 56%, gave a favorable response.
 - The majority of employees (52%) responded favorably to the ability to apply online for internal job openings, with up to 18% saying it has significantly improved and 34% saying it has improved.
- Up to 12% of employees said their ability to do performance reviews had significantly improved, 44% said it had improved, and the majority, 56%, responded favorably.
- Up to 10% of employees said their capacity to evaluate, modify, or update performance goals and objectives throughout the year had substantially improved, and 48% said it had improved. The majority of employees, 58%, responded favorably.
 - With regard to digital services and procedures, mobile devices are accessible. 58% of employees responded positively, with 12% saying it has significantly improved and 46% saying it has improved.
 - Of the employees, 64% responded favorably to the statement that digital services and procedures are easy to use, with 22% saying they have significantly improved and 42% saying they have improved.
- The majority of employees (60%) respond favorably to the statement that workers receive sufficient training on digital services so they can use them correctly, with 20% strongly agreeing and 40% agreeing.
- Regarding COVID-19, 34% of employees strongly agree and 44% agree that digital HR helps provide better services; the majority, 78%, respond positively.

VIII. Conclusion

For IT organizations, the development of computers and phones has made life easier. If there is an issue, Google has the answer right there. The development of applications such as SKYPE and TEAMS has facilitated client contact. Employee records are now easier to access and save thanks to digitalization; they may readily update their data on the server. Meal vouchers are offered by apps like SODEXO and MOBO MONEY, which also accept entirely digital payments. The employee attendance process has been made simpler with biometric fingerprints. Industries have benefited greatly from digitalization, which also aids in their expansion.

IX. Suggestions

- HR must create a clear digital strategy and roadmap, and a clear communications and training plan must be put in place to improve the efficacy of digital implementation.
- Many traditional HR procedures are not thought to be replaced by HR technology.

- HR technology effectively supports HR procedures, however in order to achieve optimal efficiency and effectiveness, these procedures may need to be modified.

Limitations

- To optimize the effectiveness of digital implementation, HR must develop a clear digital strategy and roadmap and implement a clear communications and training plan.
- It is not believed that HR technology will replace many of the more traditional HR practices.
- HR technology complements HR operations well, yet these procedures may need to be adjusted for maximum efficacy and efficiency.

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