

CHAPTER ONE

INTRODUCTION

This research thesis is entitled “The outputs of digital transformation on human resources development in developing countries” case of Rwanda. Introduction chapter provides basic information about the topic. This Chapter encompasses the Background of the study, Situation analysis, Problem statement, Purpose of the study and Objectives of the study which will make an introductory understanding about the topic and the issue as well.

1.1 Background to the study

In this newfangled business state, the capacity to be a genuinely light-footed organization, and one that basically works under the digitally engaged world that we live in and work has become not just a driver of upper hand and achievement, however basic for business endurance (Perkin and Abraham, 2017). Computerized organizations may have begun all normally from the innovation and technology sectors, however, they currently stretch over the vastest scope of ventures from retail to coordination, to advertising, to automotive and robotics. Thus, what they hold generally is a characteristic, intrinsic capacity to take an alternate view on the world and the serious markets in which they work, to adopt a regularly differentiating strategy to conventional methods for taking care of issues, and even to have an alternate 'vibe' to the qualities and organizational culture that they grasp.

These are abilities, approaches, procedures, and societies that are educated by the connected and techno-driven world; however, it is additionally a move in mentality. It is as much about the practices of people and individuals from the group as it is the innovation or advanced arrangements they are giving (Perkin and Abraham, 2017). Nowadays, the world is moving faster than never in terms of technology and development. Development is being driven by technology and technology is being helped by development. In organizations, there are many sectors, many units and many departments which are always joined or connected by technology-based gadgets, systems and/or processes.

Technology facilitates daily activities, reporting, accounting, human resource management and many more. To make it a success, digital transformation helps many organizations to go forward together with the faster technology development through their current and future human resources. But there are still organizations which might not recently have started to manipulate technology as their main route to the improvement of their human resource development such that the stated organizations develop on a slower pace or even fail which causes unsuccessful business races. In his book (Rogers, 2016), states that the directives of business have become different.

In each industry, the spread of the latest advanced technologies and the ascent of new troublesome threats are changing business plans of action and forms and the computerized transformation has turned the ancient business models upside down. For the betterment of working environment and competitive advantage, training and

development for human resources are the main programs that make adaptation to digital transformation faster; however, aptitudes learned in training are more averse to be utilized grinding away if the activity isn't intended to oblige new abilities or if an administrator doesn't bolster their utilization. Thus, a trainee who doesn't accept that the latter can viably play out the prepared assignments toward the finishing line of training will most likely show a low degree of inspiration for performing the prepared errand at work (Salas, 2011).

We can ask in which way can HR succor the performance of a business experiencing digital transformation? Digitization can bear energizing new open doors for organizations, yet the HR group is a vital aspect for guaranteeing that these advantages are immovably gotten a handle on. HR professionals mainly have to guarantee that they are able to channel significant resources into training and development. This knowledge construction exertion has to be an 'always turned on' function, to make sure that current staff develop a 'digital mindset.

Over the past few years, HR has taken a number of steps forward in technology, while HR has gained more respect for its ability to drive business results, other functions have begun to master advancing technologies. Marketing has begun to take advantage of consumer analytics via social media, manufacturing has begun to master automation, bringing back facilities in high wage countries whereas E-commerce has emerged as a strategic weapon with aligned supply chains (Hewitt, 2017).

We've reached the next frontier for HR, where digital Artificial Intelligence advances like machine learning, and natural language processing, and platform advances via cloud, mobile technology, and social media will be a massive boon to HR departments. While HR is going towards the computerized insurgency and what's to come is described by Big Data, Mobile, man-made reasoning, internet of things, web-based life or social media, and distributed computing, the capacity for organizations to deal with their stakeholders will grow more flexibly, with agility and customization. Social, mobile, analytics, cloud and internet altogether make a web-based technology and this techno-based internet empowering organizations across critical digital dimension inclusive of goods and services, customer experience, operations, and workforce (Amla and Malhotra, 2017). However, if the function together with human resources don't begin to adapt to advanced technologies and working environments, they might end up left behind. HR seems "stuck in the middle," precariously balanced between the administrative and the strategic. Digitalization is the coming step in HR's future, and it is an assignment of the function to embrace the opportunities provided by advancement in technology and HR has a rare opportunity to lead the charge for digital transformation; it just needs to broaden its perspective and look to the future (Hewitt, 2017).

1.2 Situation analysis

The present business pioneers are confronted with a staggering number of decisions for computerized showcasing and client commitment and must unite

various controls to best serve the client and understand the significant business sway. Computerized change is broadly influencing different ventures especially medicinal services, broadcast communications, automation, banking, fabricating, transport segments, and many more. It empowers development rehearses, improved structures, and new plans of action, and shapes how organizations make incentives on the Internet. Organizations can use vigorous client connections and increment strategically pitching chances through effective advanced digital change. This isn't exclusively about obtaining and conveying the fit for reason technologies; rather it is a noteworthy methodology in handling organizational issues, including but not limited to HR, business productivity, and business process update (Nadeem, et al., 2018).

The world is experiencing a draconian problem since the month of December 2019, this problem is about the novel corona virus pandemic named Covid-19, which was firstly found in the Wuhan province in China (Tsang *et al.*, 2020). Due to this pandemic, all corners of life have been drastically changed and affected, and business, education, health and other services went upside down. The whole world is striving to find the solution to it but also making some solutions to save economy and lives of the people. With the forced digital transformation, in order to combat with the spread of the virus, many activities have been shifted to remote working, or working from home, studying from home, and report form home through online digital

platforms, and even doing business from home through online platforms and technologies, plus also virtual conferences and meetings etc...

Even though millions of people lost their jobs and others are exposed to the risks of getting infected due to the pandemic (ILO, 2020), digital transformation has helped in many ways as (Hartmann and Lussier, 2020) said that the COVID-19 pandemic was unanticipated and is resulting in immediate, far-reaching, and severe challenges for B2B organizations, but also has made digital transformation to be a tool of continuing numerous activities through technologies as companies have tried to expand into new strategic profiles rather than completely substituting the previous product service offering (Ardolino *et al.*, 2018) due to Covid-19 pandemic, and life as well as economies are still not getting worse, employees are still working in the help of technology use which was done in the form of digital transformation process.

Rwanda as a case study area of this research is officially named the Republic of Rwanda, is a country in East-Central Africa and it is among the smallest countries on the African continent, it is situated in a few degrees south of the Equator, bordering with Uganda in the north, Tanzania in east, Burundi in south, and the Democratic Republic of the Congo (DRC) in west. Rwanda is in the African Great Lakes region and is highly elevated; its geography is dominated by mountains in the north and west, and plateaus and plain land to the south and east, with numerous lakes and rivers throughout the country. Rwanda is a landlocked East African country

with a green, mountainous landscape and this brought to it to be called the country of a thousand hills.

Rwanda has one of the highest population densities in Africa (1,060/sq. mi) with a young, mostly rural population and the young generation meaning those under the age of 40 are around 60% of the whole population. In 2019, the population was estimated at 12.63 million, an increase from 2013's estimate of 11.8 million. This puts Rwanda 76th populated country in the world. There are very few major towns in Rwanda, with only 17% of the population living in urban areas (NISR, 2017).

Rwanda has developed quickly in the last two decades in terms of economy and technology, the country's GDP growth averaged at 8% per annum between 2001 and 2015, and child mortality dropped by two thirds. This rapid development was underpinned in 2000 by the launch of Vision 2020 (which now expanded to Vision 2050), when the country became a member of the international network of global wireless networks, in a campaign that aimed at "transforming the country into a knowledge-based middle-income country." To make this vision a success, much have been done in technology improvement and development. Mobile phone industry known as Mara Phone and Computer manufacturing company known as Positivo BGH both of them have started operation in Rwanda to harness the development of technology in the country and East African region as well (Government of Rwanda, 2015).

Rwanda has been named East Africa's main ICT country by the United Nations Conference on Trade and Development (Rwanda Development Board, 2013). A healthy, skilled and talented workforce is imperative to impel Rwanda to a created, services and information-based society imagined in Vision 2050. Rwanda has accomplished practically general enrolment in grade schools and albeit not exactly 33% of auxiliary school-matured kids are in school, the nation has accomplished gender equality at both levels. Access to TVET and tertiary education is constrained and slanted towards men and there are worries about quality and importance of instruction that the legislature is endeavoring to address (Brief, 2020)

Rwanda is turning into a center point of tech movement with its as of late propelled innovation center FabLab, a space for individuals to transform tech thoughts into products. The East African nation has likewise observed accomplishment with FOYO, a versatile pharmaceutical catalog, as well as a new cashless bus payment system in the capital city Kigali for transportation, business and other services (Parke, 2018). Recently in 2019, Rwanda has started producing mobile smartphones in partnership with Mara Phones industry, to enhance the digitality and technology advancement in Rwanda and Africa in general. The factory inaugurated is what is being described as Africa's "first high tech smartphone factory" in the country's capital Kigali (Monks, 2019). "The entire manufacturing process, from the motherboard all the way to the packaging of the phone is done in our newly-opened factory," Eddy Sebera, Mara's country manager for Rwanda, told CNN (Parke, 2018).

All the mentioned aspects and factors spur the development of digital technology which enhances digital transformation in organizations either government or public institutions in this East African small country.

1.3 Problem statement

Digital transformation is one of the main motivating factors of Human resources development in this digital era, which means that many organizations are striving to run with technology development and win the race in global context to maximize their profitability and customer satisfaction through competitive advantage over their rivals or competitors and through having competent and high performing human resources. Some people state that it is "the reviving of business works out, techniques, capacities, and models to totally utilize the movements and chances of digital progressions and their impact in an imperative and sorted out way," an incorporated methodology that centers around ability recognizable proof, enrollment, and maintenance, just as representative commitment, gives the correct establishment to change.

The new and imaginative thoughts that digital change causes it conceivable to enable your organization to win the reliability and commitment of your workers (and clients), making a culture of persistent development that others will discover hard to coordinate. But even though it is like that, in developing countries including Rwanda, there are still challenges for organizations and their human resources to cope with digital transformation in this fast-paced technology environment which turns them to

experience failure or bankruptcy. Some of the organizations do not get enough resources to stay in the same path with technology development and they stay experiencing some difficulties to improve their competitive advantage and customer satisfaction as well.

As a matter of fact, many researches have been done and pointed out many findings linking technology and human resources management. However, they didn't explain specifically how digital transformation as part of technology advancement can help and succor human resources development. As the term output known to be the products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes, this research was mainly intended to find out and enlighten the outputs of digital transformation to human resource development and the ways digital transformation can be taken advantage to accelerate their human resource development in order not to be left behind in business race all around the world, as well as to explain and make a clear understanding on what digital transformation can help in human resource development journey.

1.4 Research Questions

A research question is the paramount element of a research project, study, or review of literature. It focuses the study, determines the methodology, and guides all stages of inquiry, analysis, and reporting. Research questions direct the whole process of the research by leading up to the final results based on the research problem and

objectives (Fowler and Cosenza, 2009). In all cases, it makes the hypothetical suppositions in the structure increasingly express, above all it demonstrates what the analyst needs to know most and first (Collins and Stockton, 2018). So, this research will try to answer the following research questions:

- a. What are the outputs of Digital Transformation on Human resource development?
- b. What could be the benefits of digital transformation for Human Resources Development?
- c. What are the challenges of Digital Transformation towards Human resource development?
- d. How do HR practitioners use DT to support the digitalization of the enterprises to enhance Human resource development?

1.5 Purpose of the study

The purpose of this study is to make a clear understanding of digital transformation and human resource development with theories and concepts as well as research findings and show how digital transformation can affect or help human resource development in organizations to the extent that organizations that will go join digital transformation will be sure to have competitive advantage over their rivals which will not cop with digital transformation through human resource development, customer satisfaction and profitability increment.

1.6 Objectives of the study

Objectives of the study are specific results that an individual or framework plans to accomplish inside a time allotment and with accessible resources. Generally, objectives are more explicit and simpler to gauge than goals. Objectives are fundamental instruments that underlie all arranging and key exercises. They fill in as the reason for making research policy and evaluating performance or results.

Research objectives for this research are:

- a) To make an understand of how Digital Transformation can improve Human Resource Development.
- b) To show possible interests or benefits that Human resource development might get from digital transformation.
- c) To discover possible challenges that Digital Transformation can bear to Human Resource Development and give recommendations.
- d) To investigate the way HR practitioners use Digital Transformation in supporting Human resource development.