UNVEILING BLOCKCHAIN'S POTENTIAL: REVOLUTIONIZING HUMAN RESOURCE MANAGEMENT

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Accepted: 21.02.2024 **Published**: 01.03.2024

Keywords: Perspective, Employees, Blockchain Technology, Human Resource Management, Potential Application

Abstract

The objective of this research is to gain an understanding of the perspectives held by employees on the implementation of blockchain technology, which encompasses distributed ledger databases, in the field of human resource management (HRM) within enterprises. The purpose of this study is to gain an understanding of the perspectives of both human resource (HR) and non-HR personnel regarding how they evaluate the current state of human resource management (HRM) in their respective businesses, as well as their awareness of blockchain technology and their opinion regarding the potential applications of blockchain technology in HRM. Human Resource Management must constantly be able to adapt and respond to changes in order to keep up with the demands and rigors that are present within the profession. This requires them to alter their own competences and increase their level of knowledge. Human Resource has, for some reason, failed to take into account some of the most significant drawbacks that have emerged as a result of the process of acquainting themselves with new technology in various departments of any given firm and managing their resources. Therefore, the purpose of this research paper is to provide Blockchain, a technology that is both highly innovative and brand new, with the intention of bridging the gap that the existing technology has produced and strategically overcoming the loss in the future. This quantitative research was conducted in order to determine how far organizations would comprehend the necessity of this implementation and even if they are prepared to accept the risk. It is easier to provide in detail about any technology on paper, but the question of how far organizations would grasp the necessity of this implementation was calculated. In this research study, a very extensive literature evaluation has been done in order to highlight the gap that has been created and to suggest ways in which it could be filled. Finally, it was determined that the population that was surveyed, which was representative of the Human Resource department, concurred that the use of this technology would be a smart decision.

Paper Identification

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1 Introduction

It has been demonstrated that blockchain technology is a disruptive technology, and it is garnering the interest of commercial groups in addition to scholars and practitioners. The blockchain technology will radically transform the conventional operations of businesses, which will make it possible for it to be implemented in a wide range of fields and industries. Although the financial industry is the leader in the development of blockchain applications and the deployment of these applications, other industries, such as the healthcare industry, retail, and shipping and transportation, are also actively using blockchain applications. Blockchain is utilized in the financial services business for the purposes of trade settlement, trade financing, and underwriting.

Additionally, it is utilized in the healthcare industry for the management of patient records, in the retail chain for warranty receipts, and in the digital supply chain. There are a number of businesses that have begun investigating the possibility of using blockchain technology into their operations. Several companies, including Amazon, Walmart, Facebook, Google, and IBM, have begun investing significant sums of money in blockchain technology and implementing it in a variety of applications. To facilitate the distribution of help to specific recipients in a variety of nations, the United Nations is making investments in blockchain technology.

The blockchain has the potential to serve as a solution for virtually all of the operations that enterprises perform, including production, manufacturing, and supply chain management services. Even though human resource management (HRM) has progressed to the point where practically all of its operations have been digitized, there has been less attention paid to the perspective of how HRM of businesses might be rebuilt for better with blockchain technology. According to the data provided by CareerBuilder, fifty-eight percent of human resource (HR) experts have discovered fraudulent credentials on the qualifications of candidates. It is common for individuals to fabricate their abilities, responsibilities, employment dates, job titles, academic degrees, firms they have worked for, and accolades and awards they have received. The use of blockchain technology can facilitate the verification of all of these facts in real time, thereby safeguarding the interests of the organization over the long term. Blockchain technology will completely transform the way human resource management is carried out in enterprises. Employees will be able to communicate sensitive information with their employers through the use of blockchain technology. Digital verification could be used to verify information such as qualifications, accomplishments, references, and abilities, providing employers with the certainty they need to make hiring decisions. Recruitment, verification, smart contracts, secure transactions, attendance, compliance, auditing, fraud prevention, and data protection are all going to be made possible by the technology. A number of firms are currently in operation that are utilizing blockchain technology to provide human resource solutions.

These solutions include pay roll, people operation and awards, applicant data transparency, and freelancer ecosystem options. On the other hand, blockchain as a technology that can integrate human resource management is not yet being used in enterprises. The purpose of this paper is to gain an understanding of the perspectives of HR and non-HR employees regarding how they evaluate the current state of human resource management (HRM) in their organizations, the HR-related issues that their companies are facing, their awareness of blockchain technology, and their opinion regarding the extent to which blockchain can be applied in HRM. If blockchain technology is implemented, the decision-making processes of human resources will undergo a transformation, which will have an effect on the entire organization.

This will have an effect on all employees, regardless of whether they are HR or non-HR profiles. As a result, the purpose of this study was to address the perceptions of both human resources and non-HR personnel regarding blockchain technology in human resource management in businesses that had not yet used blockchain technology. Regarding human resources, no company in India has implemented blockchain technology. To say that this study will be the first to grasp the opinion of employees regarding the implementation of blockchain technology in human resource management from both an HR and a non-HR perspective, in the context of India, would be an accurate statement.

Organizational decision-makers will be able to use the study as a guide to determine the extent of the introduction of this technology in human resource management (HRM) and the readiness of employees to accept the changes that come along with this technology. A number of stakeholders within the organization as well as HR professionals will benefit from this study. The paper is structured in the following manner: In the second section, we will provide a more in-depth explanation of the hypotheses while also covering the literature review that is associated with the issue. The third section provides an explanation of the research design and technique that were chosen for the study. The research results that were produced from the study are explained in Section 4, which is then followed by a discussion and findings. There is also a discussion of the managerial implications, constraints, and potential scope of future research.

1.1.1 Blockchain Technology

Blockchain is a way of preserving information that makes it difficult or impossible for the system to be altered, hacked, or manipulated. Blockchain is also known as distributed ledger technology. A distributed ledger is a distributed ledger that copies and distributes transactions throughout the network of computers that are participating in the blockchain. A framework that holds transactional records, also known as the block, of the public in several databases, also known as the "chain," in a network that is connected by peer-to-peer nodes is what blockchain technology is. When referring to this type of storage, the term "digital ledger" is typically used. Each and every transaction that takes place in this ledger is approved by the digital signature of the owner. This signature not only verifies the transaction but also protects it from being altered during the process. Because of this, the information that is contained within the digital ledger is extremely safe. To put it another way, the digital ledger is analogous to a Google spreadsheet that is distributed throughout a network of computers. Within this spreadsheet, the transactional records are recorded in accordance with the real purchases that have been made. Even though everyone can view the data, they are unable to alter it in any way. This is an intriguing aspect.

1.1.2 Strategic Human Resource Management

Within the realm of human resource management, Strategic Human Resource Management (SHRM) refers to a process that establishes a connection between an organization's staff and its fundamental strategy, objectives, and goals. In terms of human resource operations, it focuses on the following aspects:

- Making certain that the organization implements methods that encourage adaptability and provide it with a competitive edge
- Developing a culture that is compatible with the organization
- Ensuring exceptional performance in the business world

Due to the fact that SHRM is fundamentally a modern approach to human resource management, the HR department is required to play a significant role in the accomplishment of the organization's goals. In order for human resource managers to be active partners in the process of developing corporate policies and putting them into effect, they need to have a more in-depth grasp of SHRM. It is possible to include strategic human resource management into a variety of operations, such as hiring, training, and rewarding employees for their performance or accomplishments. Through the use of the SHRM approach, the HR staff is able to discover ways in which they can positively and directly contribute to the expansion of the organization.

At the same time as the long-term objectives of the company are being pursued, there must be a strategic plan that addresses the growth and retention of each and every employee.

When it comes to human resources (HR) difficulties, it is not easy for all firms to overcome them in the modern world, particularly in the post-pandemic era. When it comes to human resources (HR), there are many different components that can be complicated for employers, which can result in decisions that are not productive. There is a possibility that this will result in a decrease in productivity as well as a slowdown in the expansion of the firm.

1.1.3 Research Objective

1. To gain a thorough understanding of blockchain technology and how it may improve or assist the outside-in strategy of syndicated outside-in human resource management.
2. To raise awareness of the potential dangers associated with the way technology is being used in HR.
3. To talk about its shortcomings, particularly in the field of strategic human management.

2 Literature Review

Chen's (2023) examines how blockchain technology and human resource management interact. (HRM). With its potential to revolutionize conventional business procedures, blockchain—which was first created as the foundational technology for cryptocurrencies like Bitcoin—has attracted increased attention from a variety of businesses. Within the field of human resource management (HRM), researchers and industry professionals are starting to investigate how blockchain technology might transform current procedures and address persistent management issues. According to existing research in this field, blockchain technology can improve data security and privacy, expedite HR procedures, and make it possible to establish decentralized autonomous organizations (DAOs). Additionally, the use of blockchain-based HR systems has promise for promoting trust and transparency in hiring, payroll processing, employee credential verification, and performance reviews. The literature does, however, also recognize a number of obstacles and constraints, such as scalability issues, regulatory concerns, interoperability issues, the requirement

for organizational preparation, and cultural adaption, despite the significant potential benefits of blockchain in HRM. Notwithstanding these difficulties, research highlights how revolutionary blockchain technology may be in reinventing HRM procedures and getting past barriers in traditional management, opening the door for novel work paradigms in the digital age.

Arif's (2021) article "The Future of Work: How AI and Blockchain Technologies Will Impact HR and the Job Market" examines how AI and blockchain technologies will change HR and the employment market. This study reviews the research on AI and blockchain to explain how technology is changing work. Research shows that AI technologies like machine learning and natural language processing are being integrated into HR tasks like recruitment, employee training, performance evaluation, and talent management. Automation, efficiency, and data-driven insights from AI-driven solutions change HR operations and strategy. Blockchain technology may revolutionize HR processes by improving data security, transparency, and trust in recruiting, credential verification, and payroll management, according to the research. Blockchain-enabled HR systems can reduce fraud, bias, and inefficiency and enable decentralized decision-making. Despite the expected benefits, the research acknowledges ethical issues, legal frameworks, privacy problems, and the need to upskill and reskill the workforce to adapt to technological advances. Arif's article emphasizes the necessity for strategic planning, teamwork, and constant learning to navigate the future of work, including the effects of AI and blockchain technologies on HR and the employment market.

Chhetri (2022) indicates that there should be increased emphasis placed on the incorporation of blockchain technology into the field of human resource management, particularly in the process of hiring new employees. In light of this, it is necessary to investigate the ways in which blockchain, a distributed and secure ledger technology that was initially designed for cryptocurrencies like as Bitcoin, might be utilized to improve the effectiveness, transparency, and dependability of human resource recruitment methods. The research most likely investigates the potential advantages and disadvantages that are linked with the implementation of blockchain technology in human resource recruiting. These include elements such as the verification of candidates, the authentication of resumes, the verification of background checks, and the maintenance of an official record of candidate credentials that cannot be altered. In addition, it may also examine the ramifications of integrating blockchain technology into traditional recruitment methods, the role of intermediaries, the protection of data privacy, and the regulatory concerns involved. In general, the paper is anticipated to offer insights on the developing trend of blockchain use in human resource practices and to provide recommendations for firms that are looking to reinvent their recruitment processes through technology improvements.

Constantinide (2020) the term "HRM 4.0" most likely refers to the fourth industrial revolution in Human Resource Management (HRM) practices, and it advises doing an investigation into the degree to which managers are prepared for the arrival of this new standard. The use of blockchain technology is an indication that an investigation into the ways in which this cutting-edge technology has the potential to revolutionize conventional HRM procedures is being conducted. The assessment of the readiness of managers to embrace HRM 4.0, taking into consideration the implications and prospective applications of blockchain technology within HRM, is likely to be the primary subject of the master's thesis. It is likely that the study investigates the possible advantages, difficulties, and opportunities that blockchain technology brings in terms of changing human resource management operations. These processes include recruitment, talent management, employee records management, and payroll systems. Additionally, it may highlight the readiness of managers to adapt to these technological changes, including their level of awareness,

understanding, and willingness to implement blockchain into HRM initiatives. This may include the level of understanding that managers have. Taking everything into consideration, the thesis most certainly offers useful insights into the junction of technology and human resource management (HRM), as well as advice for businesses and managers who are navigating the changing environment of HRM in the digital age.

3 Reserach Methodology

- **Sample**

We created a survey questionnaire and distributed it to HR managers inside the organization in order to produce a convenience sample. A total of thirty individuals were surveyed. The response did not meet expectations. The majority of the sample group did not respond to any emails that were sent to them. One of the key goals of conducting surveys on a sufficient number of populations is to ensure that the results can be effectively generalized. Consequently, in order to get a higher response rate, the survey was made available to those who were residing in the middle east. This survey, however, was only open to human resource managers. The entire population was given an equal chance of being selected through the use of stratified random sampling (SRS), which is a technique that falls under the category of unbiased sampling.

- **Data collection instruments**

A brief introduction to the new blockchain technology and a survey created on Google Forum were attached. The survey addressed the threat HR is (would) face as a result of using cloud computing for recruitment and explained how the new technology would close the gap and protect the company from hackers, scammers, and cyberattacks. At first, the survey was only emailed to HR specialists. However, no one replied. It's possible that the majority of emails ended up in the fraud folder rather than in the HR department. In order to have a greater and easier reach, the strategy had to be modified, and different online platforms like WhatsApp and LinkedIn were implemented. Compared to the prior method, using an online survey proved to be more error-free, secure, and time-efficient. The goal of the study was clearly laid out in the informed consent form that was sent to the participants. Small questions were asked in order to avoid making the responder feel uninterested in answering; the first half of the questions was arranged chronologically and asked if the respondent had ever heard of blockchain technology before in their firm. In the second section, there were two brief movies that illustrated the potential cyberthreat and another that showed how blockchain could be useful. A question about respondents' attitudes toward the deployment in their firm was then presented. Additionally, a feedback question was posted so that responders could share any questions or recommendations.

4 Ethical Considerations:

Throughout the entirety of the procedure, it was ensured that the participants were completely aware of the concept behind the survey and that they were motivated to provide responses that contained information that may contribute to the overall findings of the survey. Also, they were given the assurance that the information would be kept confidential; the purpose was emphasized, and it was made certain that they were aware that the research would only be used for academic purposes. Within the appendix, you will find a copy of the letter requesting informed consent. In addition, it is important to stress that the data acquired was used in a manner that was not experimental, and there was no control exercised over the individuals who participated.

Findings: RQ 2: Will integrating blockchain technology into HRM represent the next big strategic trend?

H01: HR managers do not view integrating blockchain technology into hiring as a strategic decision.

HA1: The HR department does view integrating blockchain technology into hiring as a strategic strategy.

In conclusion, the testing of the hypothesis revealed that the data provided support for the alternative hypothesis, and that the majority of the participants, who were HR personnel, believed that incorporating blockchain technology into their firm would be a strategic decision. Testing the data that was collected led to the discovery of this finding. A description of the findings can be found in the section under "Hypothesis testing." An examination of the survey instrument was carried out in order to validate the survey that was initiated for the purpose of this study. Despite the fact that the individuals who participated in the pilot survey and validated the survey were a part of the population, their replies were not included in the final publication. A total of thirty people participated in the final study. An analysis of the questions that were asked of these thirty participants will be offered here in the form of descriptive data.

5 DATA ANALYSIS

Age, gender, and greatest educational attainment are the three main demographic parameters that are broken down in detail in the statistics supplied. First, looking at the distribution among age groups, it is clear that respondents' ages fluctuate, with different percentages falling into different age ranges. The age range of 35 to 40 years old accounts for a notable portion of the responses, indicating that people in this demographic were more likely to take the poll. Furthermore, the data shows that a considerable percentage of respondents were older, with a notable representation of people 45 years of age and older. On the other hand, a smaller percentage of the sample as a whole consists of respondents in the younger age groups, namely those who are between the ages of 20 and 25 and 25 and 30.

Regarding the gender distribution, the information shows that there are more male respondents than female respondents. This disparity raises the possibility of gender imbalances in the survey sample, where men may have been overrepresented in the population polled or were more likely to participate.

Table 1: Demographic Response Analysis

	Frequency	**Percentage**
Age		
20-25	1	3.22
25-30	2	6.45
30-35	1	3.22
35-40	4	12.90
40-45	1	3.22
45 and above	4	12.90
Gender		
Male	5	16.12
Female	2	6.45
Highest Educational attainment		

Secondary	7	22.58
Bachelors	1	3.22
Doctorate	3	9.67

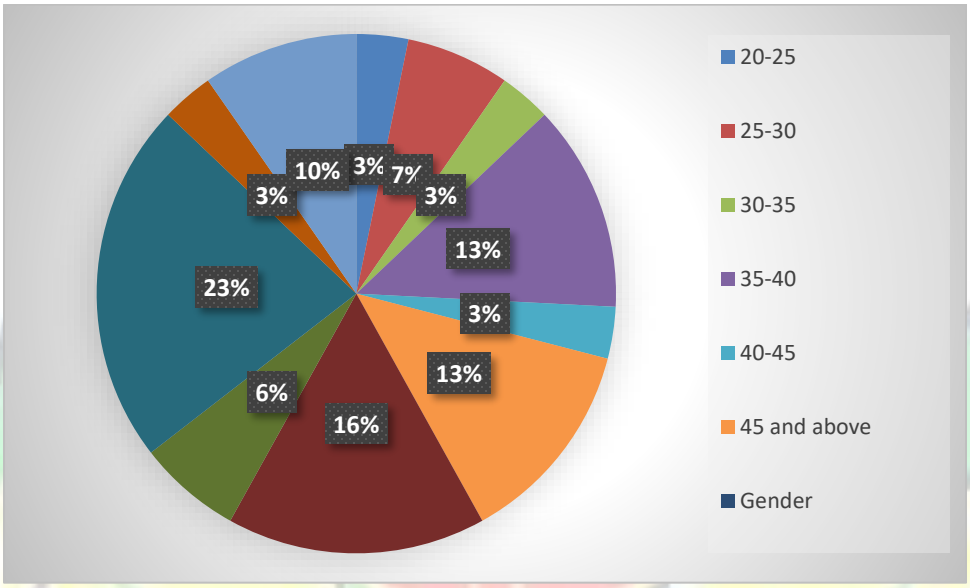

Figure 1: Graphical Representation on Percentage and Frequency of Demographic

Additionally, the information clarifies the respondents' educational background. Since secondary education is the most common degree of education among the population polled, it is evident from the majority of respondents having completed their education. Respondents holding a PhD degree come next, representing a lower but still noteworthy percentage of the sample's highly educated population. On the other hand, the least number of respondents in the survey sample have a bachelor's degree, indicating that fewer people overall have an undergraduate degree.

Overall, the data highlights the age, gender, and educational distribution of the questioned community, offering insightful information about its demographics. A more thorough understanding of the attitudes, viewpoints, and characteristics of the questioned population can be achieved by using these findings to guide additional analysis and interpretation of the survey data.

Table 2: Response Frequency Analysis

Responses	Frequency	Percentage
Yes	1	3.22
No	5	16.12
Strongly Agree	7	22.58
Agree	8	25.80
Neutral	7	22.58
Disagree	2	6.45
Strongly Disagree	1	3.22

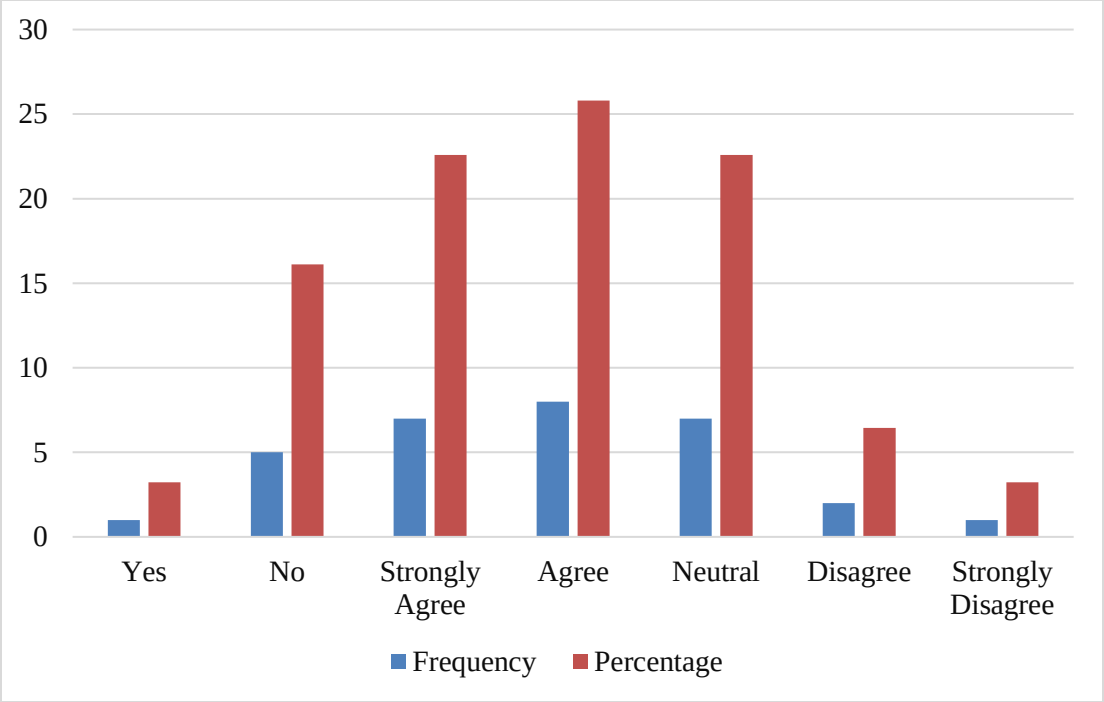

Figure 2: Graphical Representation on Frequency and percentage of Responses

A survey or questionnaire was administered to the participants, and they were asked to offer their responses to a specific statement or collection of statements. The data that has been provided contains the responses that were received. The replies were divided into seven unique categories, which were as follows: "Yes," "No," "Strongly Agree," "Agree," "Neutral," "Disagree," and "Strongly Disagree." 22.58% and 25.80% of the responses, respectively, showed a favorable position, falling into the categories of "Strongly Agree" and "Agree," respectively. The majority of the participants expressed a positive stance. It would appear that there is a substantial degree of agreement with the claims that have been provided. In addition, 22.58% of those who participated in the survey stated a neutral stance, meaning that they neither agreed nor disagreed with the remarks. Disagreement with the claims was expressed by a smaller proportion of respondents, which accounted for 16.12% of the total. Among those respondents, 6.45% selected "Disagree" and 3.22% selected "Strongly Disagree." To add insult to injury, 3.22% of the participants gave a resounding "Yes," while 16.12% gave a negative response by saying "No." The data, taken as a whole, reveals a wide range of perspectives, with a significant tendency toward agreement and a lower but still noticeable fraction of dissent. There appears to be a complexity or diversity of perspectives among the people who participated in the survey, as indicated by the nuanced range of responses.

6 Conclusion

In this particular study, the research methodology that was utilized consisted of the development and dissemination of a survey questionnaire to human resource managers within the business. The purpose of this questionnaire was to evaluate the HR managers' readiness and viewpoints with regard to the incorporation of blockchain technology into HRM practices. The methodology was modified to boost accessibility and reach by employing online channels such as WhatsApp and LinkedIn. This was taken into consideration despite the fact that originally there were difficulties with response rates. For the purpose of ensuring that participants were aware of and consented to the research, as well as safeguarding confidentiality and putting an emphasis on the academic use of the research data, ethical

considerations were carefully addressed. The results of the study demonstrate that there is a significant amount of support among HR managers for the incorporation of blockchain technology into HRM procedures, which suggests that firms have a strategic opportunity. Furthermore, the analysis of the data offered demographic insights, which highlighted the distributions of both age and gender among the respondents, as well as educational institutions. Notably, the majority of respondents were between the ages of 35 and 40 and had completed secondary school as their greatest level of education. However, the proportion of male respondents was significantly larger than the proportion of female respondents. In addition, the examination of answer frequency revealed that the majority of respondents were in agreement with the claims made in the poll, despite the fact that a sizeable proportion of respondents expressed either neutral or dissident opinions. From a broader perspective, the study highlights the potential strategic significance of blockchain technology in human resource management (HRM) and offers significant insights into the demographics of HR managers as well as their attitudes towards the implementation of this technology. In spite of this, additional study and strategic considerations might be required in order to solve obstacles and fully capitalize on the transformative potential of blockchain technology in human resource management processes.

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