

How Digitalization of Human Resource Management Empowers Enterprises' Innovation and Entrepreneurship Practices

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Abstract: Amid the vigorous development of the digital economy, enterprises' innovation and entrepreneurship practices are facing unprecedented opportunities and challenges. During digital transformation, enterprises need to innovate human resource management (HRM) in multiple aspects ^[1]. As a crucial link in enterprises' digital transformation, the digitalization of HRM is gradually becoming a core driving force for promoting enterprises' innovation and entrepreneurship. This paper deeply explores how the digitalization of HRM provides comprehensive support and guarantee for enterprises' innovation and entrepreneurship practices by innovating talent recruitment and selection mechanisms, optimizing talent training and development systems, improving performance management and incentive mechanisms, and constructing innovative organizational culture and team collaboration models. Combining theoretical analysis with practical cases, it reveals the important role of HRM digitalization in enhancing enterprises' innovation capabilities and stimulating employees' entrepreneurial spirit, and provides useful references for enterprises to achieve sustainable development.

Keywords: Digitalization of Human Resource Management; Enterprise Innovation and Entrepreneurship; Organizational Culture

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1. Introduction

With the rapid development of digital technology, the global economy is accelerating its transition to digitalization, and profound changes have occurred in enterprises' operating environments and competitive landscapes. Against this backdrop, innovation and entrepreneurship have become key pathways for enterprises to achieve sustainable development and gain competitive advantages. As the most important asset of an enterprise, the digital transformation of human resource (HR) management models is of crucial significance for stimulating employees' innovative potential and fostering an entrepreneurial spirit. The digitalization of HR management not only enhances the efficiency and precision of HR operations but also provides robust talent support and organizational guarantees for enterprises' innovation and entrepreneurship practices through innovating talent management mechanisms. Therefore, in-depth research on how HR digitalization empowers enterprises' innovation and entrepreneurship practices holds significant theoretical value and practical relevance.

2. Theoretical Foundations of HR Digitalization and Enterprise Innovation & Entrepreneurship

The integration of HR digitalization and enterprise innovation & entrepreneurship is supported by solid theoretical foundations. On one hand, digital HR management accurately identifies and allocates core talent resources required for innovation and entrepreneurship through intelligent talent matching mechanisms. It also leverages big data analytics to build personalized employee competency development systems, continuously enhancing organizational innovation efficiency. On the other hand, digital tools reconstruct traditional management processes: real-time data collection and analysis significantly improve decision-making quality and response speed, providing agile and efficient organizational support for innovation and entrepreneurship activities. Most critically, digital-based dynamic performance evaluation and differentiated incentive mechanisms can deeply stimulate employees' innovative potential, forming an intrinsic driving mechanism that continuously promotes enterprises' innovation and entrepreneurship practices.

3. Specific Paths of HR Digitalization Empowering Enterprise Innovation & Entrepreneurship

3.1. Innovating Talent Recruitment and Selection to Gather Innovation & Entrepreneurship Talents

In digital recruitment, enterprises can use artificial intelligence (AI) to quickly screen massive resumes, and apply natural language processing (NLP) technology to analyze the matching degree between candidates' skill descriptions and job requirements. Meanwhile,

platforms such as social media and professional forums are excellent choices for expanding talent search scope—utilizing these online platforms helps attract talents with innovative thinking and entrepreneurial experience. Additionally, enterprises can organize online innovation competitions, virtual project drills, and other activities to assess candidates' innovative capabilities and teamwork spirit in practice, achieving precise recruitment. This approach allows enterprises to gain a more intuitive understanding of candidates' practical abilities and significantly improves the accuracy of talent selection.

3.2. Optimizing Talent Training and Development to Enhance Employees' Innovation & Entrepreneurship Capabilities

In the digital era, the interaction between humans and technology has transformed traditional HR management models ^[2]. The development of digital learning platforms has provided new models for enterprise talent training. Enterprises can integrate high-quality online course resources and customize personalized learning plans for employees based on their own business needs. By using technologies such as virtual reality (VR) and augmented reality (AR) to simulate real work scenarios, employees can enhance their innovative practical capabilities through immersive learning. At the same time, enterprises should appropriately arrange training activities on innovation and entrepreneurship to improve employees' own capabilities. Experienced managers or technical experts can be assigned to guide employees, helping them solve problems encountered in innovation and entrepreneurship processes. Through organizing internal innovation sharing sessions, seminars, and other activities, knowledge sharing and idea exchange are promoted, inspiring employees' innovative inspiration.

3.3. Improving Performance Management and Incentives to Stimulate Employees' Innovation & Entrepreneurship Motivation

Digital performance management systems can track employees' work progress and innovative achievements in real time, and conduct objective evaluations of employee performance through quantitative indicators. In terms of incentive mechanisms, in addition to traditional material rewards, enterprises should also focus on spiritual incentives and career development incentives. They can set up innovation awards to recognize outstanding employees or teams; alternatively, provide employees with more promotion opportunities and career development space, allowing employees to realize personal value in innovation and entrepreneurship.

3.4. Building Digital Organizational Culture and Collaboration Models to Create an Innovation & Entrepreneurship Atmosphere

Big data technology has promoted the transformation of enterprise HR management decision-making models ^[3]. Digital technology breaks down hierarchical and departmental barriers within organizations, facilitating the rapid flow and sharing of information. Enterprises can use instant messaging tools, project management software, and other

platforms to achieve efficient cross-departmental and cross-regional collaboration, enhancing team innovation efficiency. Meanwhile, through digital platforms, enterprises can promote innovative concepts, encourage employees to propose new ideas and try new methods, and create an open and inclusive innovative cultural atmosphere. Additionally, enterprises can learn from agile organizational models, granting teams more autonomy to enable them to quickly respond to market changes and carry out innovation and entrepreneurship activities. For example, an internet enterprise adopted an agile development model, with project teams as units to rapidly iterate products, successfully launching a number of innovative products popular among users.

4. Practical Application of HR Digitalization Empowering Enterprise Innovation & Entrepreneurship

4.1. Case 1: Alibaba's Digital HR Management Practice

As a world-renowned internet enterprise, Alibaba has achieved remarkable results in HR digitalization. AI has been widely applied in the recruitment link of HR management [4]. In talent recruitment, Alibaba uses big data to analyze job demands and talent market trends, and accurately matches talents through an intelligent recruitment system. In terms of talent training, it has built the "Taobao University" online learning platform, providing employees with rich courses on e-commerce operations, technical development, etc., to help employees improve professional skills and innovative capabilities.

In performance management and incentives, Alibaba adopts a combination of "Six Veins Divine Sword" values assessment and performance assessment. Through a digital system, it tracks employee performance in real time and provides generous rewards and promotion opportunities for outstanding employees. At the same time, Alibaba actively fosters an open and innovative organizational culture, encouraging employees to try new businesses and models, which provides a strong driving force for the enterprise's innovation and entrepreneurship development. For instance, the birth of Alibaba Cloud is the result of Alibaba employees seizing the opportunity in the cloud computing market driven by the innovative culture.

4.2. Case 2: Huawei's Exploration of Digital HR Management

Huawei attaches great importance to the digital transformation of HR management. By building a digital HR management platform, it has realized the intelligence and efficiency of talent management. In the talent recruitment link, Huawei uses AI technology to conduct multi-dimensional evaluations of candidates, ensuring that it recruits talents most suitable for the enterprise's development. In talent training, Huawei has established a comprehensive online learning system, combining offline training and practical exercises to enhance employees' comprehensive capabilities.

In performance management, Huawei adopts the OKR (Objectives and Key Results) management system, which monitors the progress of objectives in real time through a digital system and adjusts strategies promptly. Meanwhile, Huawei implements a highly competitive salary incentive and equity distribution system, closely linking employees' interests with the

enterprise's development, which has stimulated employees' enthusiasm for innovation and entrepreneurship. Huawei's innovative achievements in fields such as 5G technology and communication equipment R&D are inseparable from the strong support of its digital HR management system.

5. Challenges and Countermeasures of HR Digitalization Empowering Enterprise Innovation & Entrepreneurship Practices

5.1. Challenges Faced

5.1.1. Technology Application and Data Security Risks

The application of digital technology requires enterprises to have certain technical capabilities and capital investment. Some small and medium-sized enterprises (SMEs) may find it difficult to achieve full digitalization of HR management due to insufficient technical reserves or limited funds. Meanwhile, the storage and use of large amounts of HR data face security risks such as data leakage and privacy violations. Once problems occur, they will cause serious losses to enterprises and employees.

5.1.2. Employees' Adaptation to Digital Transformation

In the wave of enterprise digital transformation, some employees' resistance to digital technology and skill gaps have become non-negligible obstacles to development. This resistance stems from multiple factors: on one hand, the inertia of relying on traditional work models for a long time makes employees instinctively resist the unfamiliar interfaces and operating logic of digital tools; on the other hand, anxiety about job replacement by technology intensifies negative emotions—employees worry that intelligent scheduling systems and automated performance evaluation tools will weaken their professional competitiveness. The lack of digital operation skills exacerbates the problem. Due to the lack of systematic training, some employees struggle to proficiently use digital tools such as intelligent attendance terminals, online learning platforms, and electronic contract signing, leading to frequent operational errors or low efficiency in daily work.

5.1.3. Synergy between Digital Management and Enterprise Strategy

Different from the digital and intelligent transformation of business processes, the impact of HR digitalization is comprehensive—it may not only affect business models, organizational processes, and work methods but also impact organizational structure and development strategies ^[5]. HR digitalization needs to accurately align with the enterprise's overall strategy; however, in practice, it is often disconnected due to the lack of systematic planning. When introducing digital tools, some enterprises only focus on solving partial problems such as cumbersome recruitment processes and time-consuming attendance statistics, without integrating them into the long-term planning of enterprise strategic development, resulting in fragmented digital construction. Meanwhile, if digital goals are not aligned with the enterprise's development rhythm, resource waste will occur. Furthermore,

digital construction without strategic guidance cannot meet the needs of innovation and entrepreneurship, such as agile talent supply chains and flexible incentive mechanisms, preventing HR digitalization from fully exerting its empowering role and hindering the achievement of enterprise strategic goals.

5.2. Countermeasures

5.2.1. Strengthening Technology Investment and Data Security Management

Enterprises should increase capital investment in digital technology, introduce professional technical talents, and enhance their own technology application capabilities. At the same time, they should establish and improve data security management systems, adopt encryption technology, access permission control, and other means to ensure the security of HR data. In addition, regular data security training should be carried out to improve employees' data security awareness.

5.2.2. Enhancing Employees' Digital Literacy and Promoting Change Management

Enterprises should formulate systematic employee training plans, strengthen digital skill training, and help employees master the use of digital tools. Meanwhile, through publicity activities, case sharing, and other methods, employees can understand the benefits of digital transformation, enhancing their recognition and participation in digital transformation. During the transformation process, enterprises should pay close attention to employee feedback, solve problems encountered by employees, and ensure the smooth progress of transformation.

5.2.3. Strengthening Synergy between Digital Management and Enterprise Strategy

Enterprises should plan the digital transformation of HR management from a strategic perspective, integrating digital transformation goals with the enterprise's innovation and entrepreneurship strategy. By establishing a cross-departmental collaboration mechanism, they should strengthen communication and collaboration between the HR department and business departments, ensuring that HR digitalization can provide precise support for enterprises' innovation and entrepreneurship practices.

6. Conclusion

HR digitalization provides new ideas and methods for enterprises' innovation and entrepreneurship practices. Through innovating talent management, optimizing organizational processes, and fostering an innovative culture, HR digitalization can effectively enhance enterprises' innovative capabilities and entrepreneurial vitality. Although challenges in technology, personnel, and strategic synergy are encountered in practice, by adopting

corresponding countermeasures, enterprises can give full play to the advantages of HR digitalization and achieve sustainable development of innovation and entrepreneurship. In the future, with the continuous development of digital technology, HR digitalization will play an even more important role in enterprise innovation and entrepreneurship, which is worthy of continuous exploration and practice by enterprises.

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