

Advancing Performance Management through Digital Transformation in Human Resource Practices

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Abstract

This study proposes a conceptual framework to explore how human resource (HR) practices influence effective performance management through the mediating role of digital transformation. Drawing on a structured literature review of studies published between 2015 and 2025 in databases such as Scopus, Google Scholar, and Thai Journals Online, the paper synthesizes theoretical and empirical work on performance management, HR roles, and digital transformation in private-sector organizations. Grounded in Ulrich's HR role model, the framework identifies strategic partnering, administrative efficiency, employee advocacy, and change agency as core dimensions of HR practices. Digital transformation is conceptualized as a mechanism that enables these practices to translate into improved performance outcomes by integrating digital tools, aligning strategy, enhancing employee competencies, and promoting agile work processes. The review highlights a theoretical gap in understanding how HR can leverage technology to drive employee engagement, goal clarity, and productivity in the digital era, particularly in developing economies. This study contributes to the HRM and digital transformation literature by clarifying the relationship between strategic HR functions and technology in performance systems and by offering a review-based foundation for future empirical research on digitally enabled performance management.

Keywords: Human resources, Digital transformation, Performance management, Developing economics, Digital HRM, Private sector, Strategic partnering

Introduction

The strategic human resource management (SHRM) perspective emphasizes that the strategic management of people is fundamental to achieving organizational success. From this standpoint, performance management is a core mechanism through which HR policies and practices align employee behaviors with organizational objectives (Wu & Sigdel, 2024). Managementally, performance management enables teams and individuals to collaborate productively and contribute meaningfully to firm performance (Lancaster, 2020).

The digital era has radically transformed the nature of work. With the rise of technologies such as artificial intelligence (AI), the Internet of Things (IoT), machine learning, and cloud computing, businesses are

compelled to rethink their models to remain competitive (McLean & Zarate, 2024; Ross & Pilsch, 2019). These changes not only redefine how work is done but also alter the competencies required of employees (Choobi & Weber, 2020; Sen, 2020). As automation increasingly replaces routine tasks, organizations face new imperatives: redesigning work structures, reskilling their workforce, and ensuring agility in workflows (Ferreira et al., 2019; Fischer et al., 2020).

In this context, performance management is also undergoing transformation. Digital tools now offer opportunities for real-time feedback, data-driven evaluations, and predictive analytics (Ekman et al., 2022). However, the integration of digital technologies into performance management is not without risks.

Scholars have raised concerns about depersonalization, algorithmic bias, and diminishing human judgment (Choobi & Weber, 2020; Hamerman & Schooley, 2019). Literature offers a divided view: some highlight the efficiency and objectivity enabled by digital transformation, while others caution about implementation challenges and unintended consequences. Despite these debates, few studies have systematically examined how digital transformation reshapes the HR function in driving performance management, especially in the private sectors of developing economies.

Human Resource Management (HRM) plays a pivotal role in designing and executing performance management systems. Building on Ulrich's (1997) model of HR roles—strategic partner, change agent, administrative expert, and employee champion—recent studies have emphasized the need for HR to evolve in tandem with technological change (Anunthawichek, 2023; Pojsupap & Khasarim, 2021). As a strategic partner, HR aligns performance goals with business strategy; as a change agent, it fosters adaptability; as an administrative expert, it ensures fairness and efficiency; and as an employee advocate, it nurtures development and motivation (Fenech et al., 2019; Beer & Swieringe, 2019; Bratton & Gold, 2022).

Although much is known about the distinct roles of HR and the impact of digitalization on organizational practices, the intersection of these domains remains under-theorized. Existing studies typically examine HR practices, digital transformation, and performance management in parallel, focusing either on HR roles or on technology adoption, but rarely integrate these perspectives into a unified explanation of how HR-driven digital transformation enhances performance management, particularly in developing economies. Specifically, few conceptual models integrate HR's evolving role with digital transformation as a mediating mechanism for enhancing performance management. Prior research often examines digital transformation in operational or strategic silos, failing to link it to the HR function's capacity to drive performance. Building on the SHRM perspective, this study examines how HR practices, conceptualized through Ulrich's HR role model, contribute to effective performance management when supported by digital transformation.

This paper addresses this gap by proposing a conceptual framework that positions digital transformation as an enabler of HR-driven performance management. The framework is designed primarily for private-sector organizations in developing economies, where digital maturity is uneven and resource constraints are common. Accordingly, our guiding research question is: How does digital transformation influence HR's capacity to drive effective performance management in the private sector, particularly in developing economies?

Literature review approach

This study employed a structured literature review to investigate effective performance management resulting from HR practices within the context of digital transformation. A structured literature review combines systematic search and selection procedures with narrative synthesis, allowing the integration of diverse theoretical and empirical sources while following transparent and replicable steps, without fully adopting the more rigid protocols of a systematic review (Rowe, 2014; Massaro et al., 2016).

The review process followed the guidelines suggested by Massaro et al. (2016) and involved the following steps: (1) identifying the research questions and scope; (2) defining inclusion and exclusion criteria; (3) sourcing literature from academic databases such as Scopus, Google Scholar, and Thai Journals Online (ThaiJo); (4) screening and selecting relevant studies published between 2015 and 2025; and (5) conducting thematic content analysis to extract key findings. The database search initially identified 80 books and articles. After removing 10 duplicates and screening titles and abstracts against the inclusion and exclusion criteria, 22 records were excluded. The final sample comprised 48 full-text sources (journal articles, books) published between 2015 and 2025, which were subjected to in-depth analysis.

The selected documents were analyzed using an inductive thematic approach. We repeatedly read the full texts, coded relevant passages related to HR practices, digital transformation, and performance management, and then grouped similar codes into broader thematic categories. Through this iterative process, three key themes emerged: (1) emerging trends in performance management in the private sector, (2) strategic roles of

HR in driving performance, and (3) the impacts of digital transformation on HR functions. This thematic structure was guided by Massaro et al.'s (2016) recommendation to allow patterns and research gaps to surface through iterative analysis in dynamic fields. This approach is appropriate for the evolving field of HR digital transformation, where interdisciplinary perspectives and emerging frameworks are prominent (Rowe, 2014). The structured review enables the integration of global and Thai academic perspectives, providing a more comprehensive understanding of both local and international contexts.

Effective performance management

In this study, performance management refers to the organizational processes used to plan, monitor, and review employee contributions, with a primary focus on individual and team performance outcomes that support overall organizational effectiveness. Accordingly, “effective performance management” is defined as the extent to which these processes align goals, feedback, development, and rewards in a way that enhances employee motivation, capability, and contribution to organizational objectives. Effective performance management is a structured and systematic process that organizations use to enhance individual and team performance, ultimately driving overall organizational success (Anunthawichok, 2023). It involves a range of interrelated activities—including goal setting, performance appraisal, feedback, development planning, and reward systems—that ensure employees are aligned with the organization's objectives and that their efforts are acknowledged and rewarded (CIPD, 2009). While these activities are essential, they can also create internal conflicts or inconsistencies if not well integrated, highlighting the need for a coherent and strategic performance management approach (Rajapakshe, 2024).

The key components of effective performance management, as illustrated in Figure 1, include: (1) organizational goals—establishing clear and specific organizational goals provides a structured framework for teams and individuals employees who see how their contributions align with these broader goals are more likely to remain motivated and engaged (Bersin, 2019); (2) performance feedback—continuous feedback is crucial for helping employees understand their strengths

and areas for development; this feedback should be ongoing, not limited to annual performance reviews, allowing for real-time adjustments that support sustained growth (Lancaster, 2019); (3) Performance Rewards—A well-designed reward system reinforces positive behavior and achievement; according to expectancy theory (Robbin & Judge, 2022), motivation increases when employees see a direct connection between their efforts and the rewards they receive. These can be financial (e.g., bonuses) or non-financial (e.g., recognition and professional development opportunities). and (4) performance improvement—organizations must support underperforming employees beyond recognizing high performance; this includes identifying skill gaps and providing targeted development interventions such as training, coaching, or mentoring (Aguinis, 2009).

To ensure successful performance management, organizations must establish credibility by integrating HR practices with digital transformation to remain competitive. While some studies have explored the relationship between HR practices and performance management, comprehensive research remains limited, especially considering the significant transformation occurring within HR functions. We investigated how HR practices can enhance performance management through digital transformation, acknowledging technology's opportunities and challenges (Konbang & Chaowai, 2022). Despite growing technological adoption, limited attention has been given to the measurable impact of HR practices and digital transformation in the private sector. We addressed this gap by introducing a framework that explains how these elements jointly influence performance management, setting the stage for deeper analysis.

HR practices

HR practices that support effective performance management focus on people and core HR activities (Supattanamongkol & Mahasumran, 2022). Drawing on Ulrich's (1997) model, this study conceptualizes HR practices as comprising four roles: strategic partner, administrative expert, employee champion, and change agent (Figure 2), a framework that has gained wide recognition in HRM research and practice (Snell & Morris, 2019). As a **strategic partner**, HR aligns people

strategies with overall business goals by collaborating with senior management and ensuring that the workforce has the skills and competencies needed to achieve organizational objectives (Ulrich, 1997; Pichler & Peters, 2019; Bratton & Gold, 2022). As an **administrative expert**, HR enhances efficiency by streamlining processes such as payroll and benefits, eliminating unnecessary work, minimizing errors, and maintaining compliance with regulations, thereby creating a robust foundation for other HR activities (Thanasit, 2021; Bratton & Gold, 2022). In the role of **employee champion**, HR promotes employee well-being, development, and engagement by addressing employee concerns, recognizing achievements, and facilitating effective communication between employees and management, which helps to build a culture of trust and sustained performance (Pichler & Peters, 2019; Pojsupaq & Khasasin, 2021; Bratton & Gold, 2022). Finally, as a **change agent**, HR leads and supports organizational change initiatives by working with leaders to plan and implement changes, managing resistance, and helping employees navigate transitions so that performance is maintained or improved during periods of transformation (Cantoni & Mansia, 2019; Fedorova et al., 2019; Konbang & Bhao, 2022; Bratton & Gold, 2022).

The above research has explained the effect of HR practices on performance management. This study aims to explore these variables' impact on efficient performance management and propose a framework for understanding performance management in the context of digital transformation. The research emphasizes performance management as the core driver of success, with HRs playing a strategic role in aligning digital tools with employee motivation, goal achievement, and organizational objectives. HRs is not merely an administrative function that implements digital tools but a key change agent in digital transformation. HR shapes the employee experience through digital-driven performance management, use data analytics to predict performance trends, create tailored development strategies, and drive cultural change by fostering digital adaptability and reskilling initiatives. Work acknowledges a common issue in digital transformation: technology adoption often overlooks employee engagement and motivation. HR practices must bridge technological innovation and human capital development, ensuring digital tools enhance rather than disrupt performance management. The following section will focus on the literature review regarding digital transformation and its influence on effective performance management.

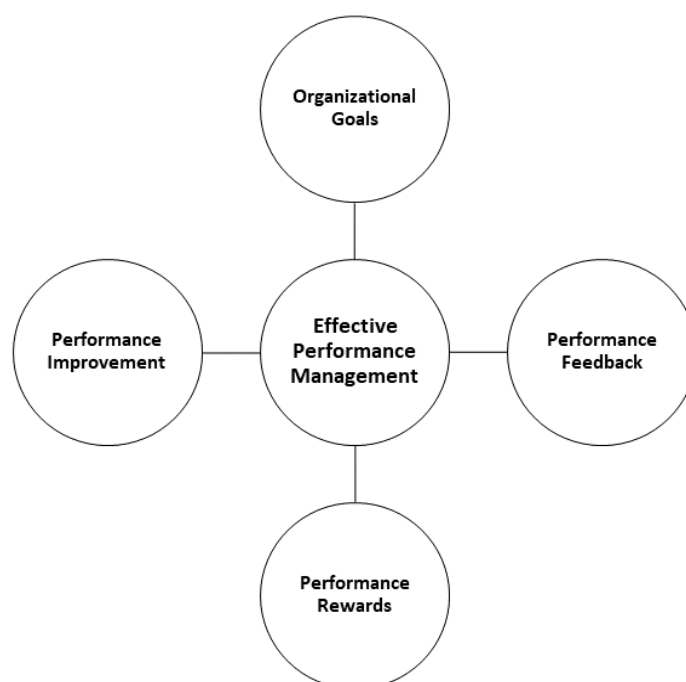


Figure 1 Effective performance management



Figure 2 The role of HR in the organization

Digital transformation

Digital transformation is integrating digital technologies into every facet of an organization's operations, thereby transforming how it functions and creates value. It promotes effective performance management (Gurbaxani & Dunkle, 2019; Hanelt et al., 2020; Hanelt et al., 2021). It involves utilizing technology to boost productivity, generate creativity, and streamline procedures. Examples of these technologies include artificial intelligence, automation, cloud computing, data analytics, and collaboration tools innovation (Lardi, 2022; McKelvey et al., 2021). Digital transformation affects every organizational function, including HRs (Jordon, 2020; Kuah, 2022). Strohmeier (2020) showed that digital transformation enhances HR capability by integrating digital platforms and analytics, enabling HRM to move beyond administrative efficiency toward strategic value creation. McCartney and Fu (2022) revealed that by strengthening HR analytics capability, digital transformation enables evidence-based management practices that positively influence organizational performance. Consequently, the contemporary era is known as the “digital transformation” due to the impact of digital technology (Pingali et al., 2021). As a result, the challenge is

evolving faster than employees, or the organization can handle. In addition, Mao et al. (2024) also stated that IT integration can improve the working process in organizations and organizational strategy, structure, and agile work processes. Moreover, a significant obstacle facing the workforce in the digital age is frequently mentioned as lacking skilled workers (Larsson, 2020). As a result, digital transformation is a comprehensive process that involves multiple components to ensure success. This information helped me to derive the following elements of digital transformation. Each component is critical in driving digital transformation forward (Figure 3).

IT integration ensures that various organizational technologies and systems work seamlessly together. It allows for the efficient exchange of data and information, facilitating improved decision-making and operational efficiency (Gong & Ribiere, 2025). Alignment with organizational strategy ensures that digital initiatives are purposeful and contribute directly to achieving business goals. It prevents ad-hoc technology adoption and helps prioritize investment (Gurbaxani & Dunkle, 2019). Employees are the driving force behind digital transformation. Competency development ensures that the workforce

has the necessary skills to adopt and utilize new technologies (Goswami & Upadhyay, 2019; Gurbaxani & Dunkle, 2019). Traditional hierarchical structures can hinder innovation and agility. Adapting the organizational structure promotes collaboration, innovation, and responsiveness to changing organizations (Pingali et al., 2021). Agile processes enable organizations to respond quickly to changing employee needs and organizational dynamics. They foster innovation, reduce time to work, and improve employee satisfaction (Marchegiani, 2021). Recent evidence shows that digital HRM systems function as dynamic capabilities, enhancing HR efficiency and supporting performance monitoring in digitally transforming organizations (Mahmoud et al., 2025).

Research on the connection between effective performance management and digital transformation

has received limited attention, creating a gap in the existing body of knowledge. While individual studies explore topics related to performance management through digital transformation, comprehensive research addressing the interplay between these two areas is lacking. HR practices and digital transformation are crucial variables that can help explain the relationship between HR function and digital transformation's impact on effective performance management. The conceptual framework that will be used to describe this connection is presented in the next section. Additionally, HR practices in digital transformation are most effective when performance management principles are integrated into technology adoption strategies.

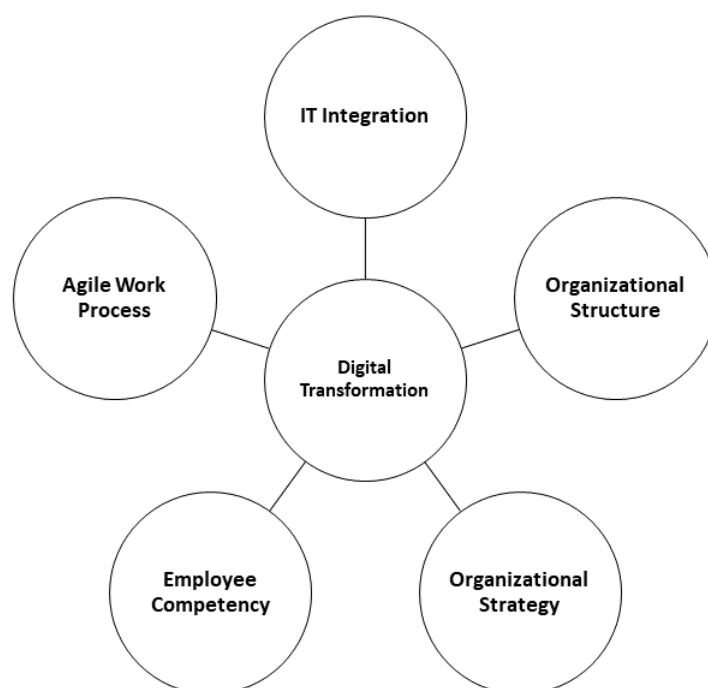


Figure 3 The digital transformation

Digital HRM, Analytics, and Performance Management in the Digital Era

Recent research indicates that digital transformation in HRM reshapes traditional HR activities into data-driven and strategically aligned processes that support performance management systems (Strohmeier, 2020; Meijerink et al., 2021;

Cheng & Zou, 2021). Digital platforms, e-HRM applications, and HR analytics enable organizations to collect and analyze performance data, facilitate continuous feedback, and personalize development pathways, thereby enhancing transparency and alignment between individual contributions and organizational goals (McCartney & Fu, 2022; De Alwis

et al., 2022; Mahmoud et al., 2025). Empirical studies show that digital HR initiatives are positively associated with HR performance and broader organizational outcomes, particularly when they are integrated with strategic planning, leadership, and workforce reskilling efforts (McCartney & Fu, 2022; Cheng & Zou, 2021; Strohmeier, 2020). These findings reinforce the view that digital transformation provides a critical mechanism through which HR practices can be translated into more effective performance management processes.

However, most existing studies examine digital HRM, digital transformation, and performance outcomes in isolation rather than within an integrated HR–DT–performance management framework, especially in developing economies. This gap underlines the need for a conceptual model that explicitly positions digital transformation as a mediating mechanism linking HR practices to effective performance management, as proposed in this study

Research gap and conceptual rationale

The preceding review indicates that effective performance management depends on well-designed HR practices and increasingly on digital tools and analytics, yet most studies examine these elements separately rather than in an integrated manner. Existing research on digital HRM and performance management emphasizes automation, efficiency, and data-driven decision-making, but typically stops short of specifying how concrete HR roles and practices are translated into improved performance outcomes through digital transformation. The reviewed literature also shows growing interest in digital HRM, HR analytics, and digital performance systems, yet most contributions address these topics separately rather than within an integrated HR–digital transformation–performance management framework. Research on digitalization and HR governance, for example, emphasizes data-driven control and flexible performance processes but does not systematically link specific HR roles and practices to performance outcomes through digital transformation mechanisms, and studies of digital HRM in emerging economies show that digital tools can enhance HR efficiency and organizational performance but stop short of theorizing the mediating role of digital transformation between HR practices and effective performance management.

This study addresses this gap by proposing a conceptual framework that integrates Ulrich's HR role model with key dimensions of digital transformation and positions digital transformation as a mediating mechanism between HR practices and effective performance management in private-sector organizations in developing economies. The next section outlines this framework and formulates propositions for future empirical testing

Conceptual framework

The framework is intended for application in private-sector organizations in developing economies, where firms face simultaneous pressures to enhance performance management and accelerate digital transformation. In such contexts, HR functions are often required to balance limited resources with the need to adopt digital tools and develop workforce capabilities, making the integration of HR practices and digital transformation particularly salient.

This study proposes a conceptual framework to examine how human resource (HR) practices contribute to effective performance management through the mediating role of digital transformation. The framework is designed to support future empirical investigation and to guide both academic inquiry and practical applications in the private sector. It addresses a gap in the literature by linking the evolving strategic role of HR with organizations' digital transformation efforts in shaping performance outcomes.

In this framework, HR practices, conceptualized through Ulrich's four-role model, are expected to positively influence effective performance management by shaping goal alignment, employee motivation, and change readiness. Digital transformation is positioned as a mediating mechanism that enables HR to leverage digital tools, analytics, and agile structures so that HR practices can be translated into more transparent, data-driven, and continuous performance management processes. Accordingly, the model proposes that HR practices have both a direct effect on effective performance management and an indirect effect through digital transformation as a mediator.

Effective performance management serves as the dependent variable. In line with the definition adopted in this study, effective performance management captures the quality and coherence of processes that

guide employees to understand expectations, receive feedback, and develop capabilities to improve their individual and team performance in support of organizational goals. It refers to the organizational process by which employees are guided to understand expectations, receive timely feedback, and are supported in aligning their behaviors with strategic goals (Ferreira, 2019). Well-functioning performance management systems generate reliable, actionable data to inform decisions, drive improvement, and support employee development (Fischer et al., 2020).

The independent variable is HR practices, conceptualized using Ulrich's (1997) four-role model: (1) strategic partner – aligns HR practices with organizational strategy to ensure human capital supports long-term business goals (Pichler & Peters, 2019); (2) administrative expert – enhances efficiency by streamlining HR operations and ensuring compliance (Bratton & Gold, 2022); (3) employee champion – fosters engagement and development by addressing individual needs and promoting well-being (Beer & Swieringa, 2019); and (4) change agent – facilitates organizational adaptability and transformation through effective change management initiatives (Beer & Swieringa, 2019). In addition to Ulrich's HR role model and the SHRM perspective, this framework is informed by dynamic capability theory, which views digital transformation as a means of building, integrating, and reconfiguring organizational capabilities to respond to changing environments. From this viewpoint, digital HR systems and analytics enhance HR's ability to sense, seize, and transform human capital resources, thereby strengthening performance management processes and outcomes. A socio-technical systems perspective further underscores that performance improvements arise not from technology alone, but from the joint optimization of digital tools and HR practices within specific organizational and institutional contexts.

At the center of this framework is digital transformation as the mediating variable. It is conceptualized as the mechanism that enables HR practices to influence performance management more effectively. Digital transformation is not merely the adoption of technology but a strategic realignment of work processes and capabilities. It comprises five interconnected dimensions: (1) IT integration – embedding digital tools across HR and performance

systems; (2) strategic alignment – ensuring digital initiatives reinforce organizational objectives; (3) employee digital competency – enhancing workforce readiness through digital skills development; (4) structural adaptability – transitioning from rigid hierarchies to agile, collaborative work models; and (5) agile processes – implementing iterative and flexible workflows to respond to changing conditions.

This mediating role is essential, as HR practices alone may not achieve performance goals without the enabling infrastructure of digital tools and systems. Platforms for real-time feedback, digital learning, and AI-driven evaluation mechanisms can significantly enhance the clarity, timeliness, and effectiveness of HR interventions, strengthening motivation by reinforcing the expectancy that effort leads to performance, linking performance to valued outcomes, and increasing perceived fairness and transparency. By positioning digital transformation as a bridge between HR practices and performance outcomes, this framework clarifies the strategic role of technology in supporting human capital development and organizational success.

Proposition

Because this study is conceptual in nature and does not test relationships empirically, the proposed relationships are formulated as propositions rather than hypotheses, with the intention of guiding future empirical research on HR practices, digital transformation, and performance management. Based on the conceptual relationships described, the study proposes the following propositions:

Prior research suggests that when HR fulfills its strategic partner, administrative expert, employee champion, and change agent roles, HR practices contribute to clearer goal setting, fair evaluation, and stronger employee commitment, which in turn enhance performance management effectiveness. Studies on HR governance and performance management in digital contexts similarly emphasize that strategically aligned HR practices are a key driver of robust performance systems

□ **Proposition 1:** HR practices (as strategic partner, administrative expert, employee champion, and change agent) positively influence effective performance management in private sector organizations.

At the same time, research on digitalization and HR governance highlights that digital tools, data infrastructures, and analytics capabilities provide the backbone through which HR practices can be implemented and scaled in a more transparent and data-driven manner. From a dynamic capability perspective, digital transformation develops organizational

capabilities to integrate and reconfigure HR processes, thereby mediating the relationship between HR practices and performance outcomes.

□ **Proposition 2:** Digital transformation mediates the relationship between HR practices and effective performance management.

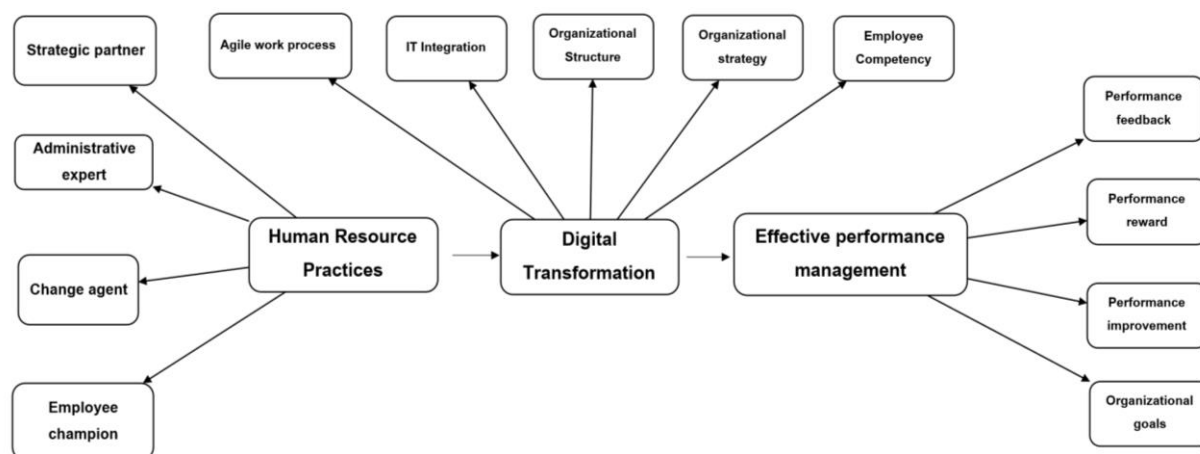


Figure 4 Conceptual framework

As shown in Figure 4, HR practices are hypothesized to exert a direct positive effect on effective performance management and an indirect effect through digital transformation, which acts as a mediating variable that channels and amplifies the influence of HR practices on performance outcomes.

This framework underscores that sustainable performance outcomes arise not solely from HR initiatives or technological upgrades but from their dynamic integration. By positioning HR as a strategic enabler of digital transformation, and by leveraging digital capabilities to reinforce performance systems, organizations can foster a culture of feedback, learning, and continuous improvement. The framework offers actionable insights for researchers and practitioners seeking to advance performance management in digitally evolving workplaces, particularly within developing economies.

Discussion

Prior work has highlighted that digitalization reshapes HR roles and requires new HR governance approaches, but often treats HR practices, digital transformation, and performance management as

separate domains. Conceptual frameworks on digitalization and performance management emphasize the need for data-driven HR governance and flexible performance systems, yet they typically do not specify how concrete HR roles and practices translate into performance outcomes through digital transformation mechanisms.

Effective performance management is essential for aligning organizational goals, performance evaluations, incentives, and continuous improvement strategies. At its core, performance management success relies heavily on employee contributions, particularly in areas such as goal setting, accountability, feedback, and fostering a culture of continuous development. These elements are key drivers of productivity and engagement, which ultimately influence overall organizational success.

A fundamental aspect of achieving strategic objectives is cultivating employee commitment, a crucial factor identified in the literature (Ulrich, 1997; Bratton & Gold, 2022). This commitment is shaped through well-designed HR practices that align individual efforts with broader organizational priorities. HR professionals are at the heart of this process,

facilitating the creation of a results-driven culture. One significant factor in fostering this environment is HR's ability to promote altruistic behaviors, which help build trust, collaboration, and sustained employee engagement—essential ingredients for long-term performance success.

The role of digital transformation in performance management has gained considerable attention in recent studies, emphasizing its ability to enhance efficiency, provide data-driven feedback, and reinforce performance loops (Bradon, 2019; Ferreira et al., 2019). The conceptual framework developed in this study highlights digital transformation as a mediating factor that bridges HR practices and performance outcomes, illustrating how technology can amplify the strategic impact of HR. However, as this study argues, digital tools are insufficient on their own. Their success hinges on HR's ability to integrate key performance management principles, such as motivation, goal clarity, and incentive structures, into digital adoption strategies. This synergy transforms technology from a mere support mechanism into a catalyst for high performance.

In conclusion, effective management of performance in the digital age involves much more than simply adopting advanced technological tools. It requires HR to leverage its strategic role by aligning digital solutions with human motivation and organizational development. This study's integration of theory and empirical insights underscores HR's pivotal role in driving both technological advancement and organizational excellence.

While this framework offers a valuable foundation for understanding the intersection of HR, digital transformation, and performance management, it is essential to subject it to further empirical testing to enhance its robustness. Future research should focus on empirically validating the model and refining the understanding of its key components, particularly regarding its real-world application by HR managers in the private sector.

A promising avenue for future studies would be to explore the applicability of this framework in regions where empirical data is limited, particularly in developing nations. These regions present an opportunity to assess the model's relevance in emerging performance management systems, expanding both theoretical and practical insights. Given that much of the

existing performance management literature originates from Western contexts, such as the United States, the United Kingdom, and Europe, there is a significant research gap in developing countries that this framework could help address (Khan, 2016; Cetindamar & Pretorius, 2012).

The present framework extends this literature by explicitly integrating Ulrich's HR role model with digital transformation dimensions and by positioning digital transformation as a mediating mechanism between HR practices and effective performance management. In doing so, it clarifies how strategic partnering, administrative efficiency, employee advocacy, and change agency can be operationalized through digital tools, HR analytics, and agile structures to strengthen performance management processes, particularly in developing economies.

Conceptually, this study contributes to the growing body of work on digital HRM and performance management by offering an integrative model that links HR roles, digital transformation capabilities, and effective performance management within a single framework. Unlike earlier studies that primarily focus on automation or efficiency gains, the proposed framework emphasizes the strategic and mediating role of digital transformation in enabling HR to drive transparent, continuous, and development-oriented performance systems in developing economies.

Furthermore, future research could benefit from employing a range of diverse methodological approaches. These could include single-method studies, cross-sectional surveys blending both quantitative and qualitative techniques, longitudinal research, or in-depth case studies. A combination of these methods would enhance analysis by compensating for the limitations of any one approach and deepening the understanding of the complexities involved in developing effective performance management systems.

Theoretical implications

This study advances theoretical understanding in the field of performance management by positioning digital transformation as a mediating mechanism that links human resource practices to performance outcomes. By doing so, it bridges a gap in the literature that has traditionally treated HRM and digital transformation as parallel rather than interconnected

domains. The framework reframes digital tools not as isolated enablers but as integrated catalysts that amplify HR's strategic influence on employees and organizational performance.

Moreover, the model contributes to theory by emphasizing supportive and employee-centered HR leadership, rooted in Ulrich's typology—as a critical driver of sustainable performance outcomes. This extends traditional HRM models by reinforcing the importance of motivation, engagement, and adaptability in technologically evolving work environments. It repositions HR not only as an administrative or strategic function, but as a dynamic agent of change capable of shaping digital performance systems.

Importantly, this framework opens new avenues for theoretical application and refinement in understudied contexts, particularly in developing economies where digital infrastructure and HR capabilities vary. In such settings, empirical validation of the model can reveal context-specific insights that strengthen its generalizability and theoretical robustness (Zhou et al., 2021; Nicolas-Augustin et al., 2022).

Ultimately, the framework invites future scholars to explore the intersection of human-centered leadership and technological adaptation as a theoretical lens for understanding performance management in the digital age.

Practical implications

This study offers several actionable insights for HR professionals, organizational leaders, and policymakers aiming to enhance performance management in digitally evolving workplaces.

First, the findings emphasize that HR practices must be reoriented toward strategic integration with digital transformation efforts. HR leaders should not treat technology as a back-end support function but rather as a core enabler of real-time performance feedback, continuous learning, and agile goal setting. Investing in digital tools—such as performance dashboards, AI-based feedback systems, and mobile learning platforms—can significantly increase HR's effectiveness in driving employee engagement and productivity.

Second, organizations must build HR capabilities that balance digital fluency with human-centered leadership. This includes training HR professionals to

act as change agents and strategic partners who can align digital strategies with human motivation, development, and well-being. Emphasizing supportive and empathetic leadership can help mitigate the potential depersonalization effects of automation and analytics.

Third, the proposed framework provides a roadmap for private-sector firms—particularly in developing economies—to leapfrog traditional performance systems by aligning HR strategies with digital innovation. In contexts where technological adoption is uneven, the model can guide gradual transformation while ensuring that performance management remains inclusive, transparent, and development oriented.

Finally, the study highlights the need for cross-functional collaboration between HR, IT, and executive leadership to embed performance objectives within digital transformation agendas. This collaboration ensures that digital tools are not only technically sound but also aligned with organizational culture and employee needs.

Together, these implications underscore the strategic importance of empowering HR to drive digital innovation, ensuring that performance management systems are both technologically advanced and human centric.

Limitations

While this study provides a conceptual foundation linking HR practices, digital transformation, and effective performance management, several limitations must be acknowledged. First, the proposed framework is conceptual in nature and has not yet been empirically validated. As such, the relationships among variables, particularly the mediating role of digital transformation, require future testing through quantitative or mixed-method studies to establish generalizability.

Second, the model is primarily oriented toward private sector organizations in developing economies, which may limit its applicability in public sector contexts or highly digitized environments in developed countries. Organizational culture, regulatory frameworks, and technological readiness vary widely, and these contextual differences may influence the effectiveness of the model.

Third, while the study focuses on the strategic role of HR, it does not fully explore potential barriers to

digital transformation, such as data privacy concerns, resistance to change, or digital skill gaps among employees and HR professionals. Future research could address these constraints to refine the model's practical relevance.

Conclusion

This study offers a timely and integrative framework for understanding how HR practices, when strategically aligned with digital transformation, can drive effective performance management in private-sector organizations. By positioning digital transformation as a mediating mechanism, the framework bridges a critical gap between human-centered leadership and technology-driven performance systems.

The findings underscore the importance of evolving HR roles—not just in terms of efficiency but in fostering adaptability, employee development, and continuous feedback in digitally dynamic environments. Ultimately, sustainable organizational success depends not only on deploying digital tools but also on leveraging the human expertise embedded in HR to guide that transformation.

This research advances both academic and practical discussions by proposing a framework tailored to the needs and constraints of developing economies, offering a valuable reference point for future empirical studies and managerial innovation in the digital age.

Conflict of interest

The author declares that there is no conflict of interest regarding the publication of this paper.

Data availability

The data that support the findings of this study are available from the corresponding author upon reasonable request.

Declaration of generative AI in scientific writing

The authors used an artificial intelligence–based language tool to assist in improving the grammar, wording, and readability of this manuscript. After using the tool, the manuscript underwent further review and editing by a native English speaker to ensure accuracy and clarity. The authors confirm that all scientific interpretations, conclusions, and original content are

their own and take full responsibility for the integrity of the work.

CRedit author statement

Associate Professor Dr. Boon-Anan Phinaitrup: The author contributed to the study as follows: Conceptualization, Methodology, Formal analysis, Investigation, Writing – original draft, and Writing – review & editing

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