A look at blockchain in Human Resources

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The Forbes HR council, a group of HR executives is quoted saying, "If employees are the lifeblood of an organisation, the Human Resources department is its central nervous system." This just goes to show how much the HR function is essential in the success of every organisation. Many organisations invest millions in improving their HR departments every year. If you want to take your HR to the next level, you have every reason to pay attention to blockchain technology. It is the next big thing in Human Resources. Ashik Ahmed shares how it will change HR forever here.

A brief introduction to blockchain technology

Blockchain technology is a means of keeping a record of transactions. It is a ledger. One could say blockchain technology runs on the following pillars:

- Encryption-(participants in the blockchain have control of their identity, they can share only what is required for a given transaction)
- Immutability-(once a transaction is complete, records can not be altered unless all people involved in the transaction agree to do so)
- Distribution-(users of the blockchain are connected in a network Each node of the network, the computer running the program which enforces blockchain rules keeps a copy of the ledger and automatically updates whenever new transactions occur)
- Decentralisation-(There is no single centre to control the network, An agreement mechanism verifies and approves transactions)

These pillars make this technology very ideal to cause disruption in the Human Resource field as I will elaborate later.

What blockchain can do in Human Resources?

- **Recruitment (proven identity beyond reproach)**

How many employers take time to verify candidates' CV claims? Companies who slack at pre-employment processes open themselves to financial and reputational loss by hiring frauds. A report titled The Real Cost of Recruitment Fraud states the cost for such hires is around 24 billion pounds for businesses in the UK. The counterfeit qualifications industry is a big concern and employers should pay attention. In 2015, the New York Times reported a rising tide of bogus degrees and valued this to be a billion-dollar industry. Blockchain gives institutions a simpler and cheaper way to publish their

certificates. The beauty of this is third party institutions like the government can vouch for the authenticity of such documents. These documents can be available to HR instantly via a private key a job applicant provides. Remember we said, blockchain is a ledger, the application can share the key which allows HR to view that a transaction between the candidate and the institution actually took place and the government can actually vouch that the issuing institution is authentic. This just makes background checks faster and easier at much less cost. With blockchain, HR can verify any documents instantly. Blockchain application like Civic enables people to take control and protect their identity to avoid the issue of stolen identities.

- **More secure HR (employee data) at much less cost**

Blockchain is one technology you could say is hacker-proof. No one can access and manipulate the data because everyone involved in the blockchain has its own copy of the blockchain. Once a transaction is complete the record is immutable. To change the record everyone involved will have to agree thus no manipulation of data. There is no argument that the future for HR is going paperless. The cost of running on paper is just too much. Look at the statistics for running on paper here. Blockchain technology enhances all your efforts of going paperless.

- **Payroll, Performance Management and Incentive Schemes running on Smart Contracts**

A smart contract is a computer protocol intended to digitally facilitate, verify, or enforce the negotiation or performance of a contract. You can exchange money, properties without any conflict in the absence of a third party middleman in a transparent way. The beauty of smart contracts is not only are they able to facilitate an agreement, but they also have the power to automatically enforce it. With smart contracts you can manage part-time workers as soon as the work agreed is completed, the smart contract automatically enforces the payment. This is a better way to run payroll and performance incentives. It is very transparent and once an agreement has been reached, no one can go back on their word.

A look at existing blockchain applications in Human Resources

Hirematch

Hirematch is an employee recruitment platform. It partnered with Recruiter.com with the aim of reducing the friction and costs associated with third-party intermediaries in the employee recruitment process. Their marketplace runs on their HIRE cryptocurrency.

Etch

Etch ensures employees are paid promptly as soon as their work is complete. The application makes use of smart contracts to track your work progress. The application reduces administrative costs by avoiding any delays in compensation for completed work.

Talao

If you would like to acquire and retain freelance talent, Talao is for you. The platform lets freelance candidates fill out a certified resume, verifying their skills and credentials using the blockchain.

[Zinc](#)

Zinc is an automated reference checking platform running on a blockchain. It provides authenticated, transparent proof of a person's qualifications and career experience, helping employers disqualify frauds and exaggerators to make more informed hiring decisions.

What does this mean for Human Resource Personnel?

It is important for HR teams to assess the relevance of blockchain technology to their current and future business. After such, it becomes easier to map out a strategy for blockchain technology implementation. One thing to note however is the technology is fairly new and blockchain talent is still scarce. You can start developing your own in-house blockchain talent now.

https://thehumancapitalhub.com/articles/ALookAtBlockchainInHumanResources