Research on Hot-spots and Trends of Human Resource Management under Digitalization

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Abstract. A new era of digital technology, characterized by the advent of mobile internet, cloud computing, big data, and artificial intelligence, is reshaping human production and lifestyle, heralding a paradigm shift in the way we engage with the world around us. As a matter of fact, digital transformation is no longer a distant future but an ongoing reality faced by all enterprises alike. Within this evolving landscape, human resources management, being a pivotal component of organizational management, is undergoing profound changes driven by digitalization. This paper combs the literature from all over the world in the field of digital human resource management in the past ten years, and extracts the key discoveries. This paper sums up the four most popular research topics: digital natives, service-oriented human resource management, updated connection mode, and ensuring the status of humanity. On the basis of the review, this paper looks forward to the future by pointing out possible research directions and making relevant recommendations.

1 Introduction

With the rapid development of digital technology, enterprises, either through proactive choice or being swept along by the tide, have successively embarked on digital transformation. Among all the work modules experienced during the digitalization, human resource management (HRM) has become one of the main entry points for enterprise management digital transformation due to its strong regularity in work content and high degree of electronization. Indeed, digital human resource management has been proven to be beneficial for the overall digital transformation of the organization [1] and performance improvement [2].

However, the disruptive changes brought about by digital transformation often yield unexpected results. For human resource managers, in the context of digitalization, everything from the objects of management and working methods to behavioral orientation and logical thinking is continuously innovating [3]. In the theoretical field, scholars are also constantly exploring the new characteristics of human resource management under digital transformation, as well as how to continue to efficiently fulfill the responsibilities and obligations borne by the human resource management functions in this new management situation [4].

Surrounding human resource management under digital transformation, scholars have conducted rich research from various perspectives. By combing through the research progress of the past ten years, this article summarizes four new hotspots in the research of human resource management under digital transformation, and on this basis, proposes four potentially valuable future research directions.

2 Hot-spots of HRM Research under Digital Transformation

2.1 Digital Natives

In recent years, the frequency of appearance of the group “digital natives” is increasingly highlighted in research [5]. Typically referring to those born in the 90s/00s, these individuals, growing up in the digital era, have begun to constitute a major segment of the workforce. Lanier refers to this group as Generation Z, perceiving them as young individuals who are confident, autonomy, and a penchant for freedom, they seek value and meaning in their work and expect their interactions with companies and HR [6]. It’s noteworthy that, despite Gen Z’s natural affinity for digitization and high-tech, their interpersonal communication preferences are still face-to-face interactions, which do not significantly show a generation gap. Moreover, compared to their parental generation, they’re more mature and realistic at a young age due to exposure to the information environment.

Scholars persistently remind HR practitioners to give due attention to the group characteristics of digital natives, attract and retain the elite talents, and maximize their value to the fullest extent. Amladi points out that...
digital natives are the impetus for enterprises undergoing digitization. One of the optimal strategies to attract the brightest young talents to a company is to deepen the organization's digitization. The more digitized the enterprise, the more attractive it is to digital natives [7]. On the other hand, digital human resource management is also an indispensable prerequisite to unlocking the potential of this young group to the greatest extent [8].

In contrast to the youthful digital natives, older employees are labeled as "digital immigrants" by Evans [9]. While affirming the pivotal role of the youth for the future of enterprises, Evans also points out that the majority of companies have neglected the integration issues of older employees in training activities post-digital transformation. Although it's improbable for older employees to navigate the digital era as adeptly as those who grew up during it, they have amassed industry and job experience throughout their lengthy careers, which is equally vital for the long-term development of enterprises. Subsequently, he proposes two ways that digital immigrants may enhance their digital capabilities by pairing new and old employees in a mentor-ship and establishing a digital help system dedicated to older employees [9].

2.2 Service Orientation in HRM

Although employee experience (EX) is not a new word in the field, the challenges in pandemic have brought the concept back to the forefront. Since COVID-19, the uncertainty of the external environment has increased, and the working style and lifestyle of employees have also suffered great challenges and changes. Under the epidemic, the psychological and work status of employees has also been affected to some extent. The results of a relevant survey show that 42% of employees have a decline in mental health, 40% of employees feel a lot of work pressure, and have a negative impact on their work efficiency, health and family stability [10]. Negative attitude such as job burnout will undoubtedly have an adverse impact on the individual and organizational performance.

In the digital era, technology plays an important role in automating, thus enhancing the efficiency at the workplace. Additionally, the recognition and implementation of technology's role in enhancing the overall employee experience have become evident and embraced. Advanced companies have begun extending employee services from conventional HR services to all aspects of employee life to assist them in being more effectively engaged at work [11]. In practice, inventions powered by technologies such as collaboration apps and other technological tools to promote employee creativity etc., are now widely used among HRM [12]. By leveraging these tools, HR professionals are confident that they can significantly enhance efficiency and create a customer-like experience that will markedly improve the overall employee experience in the workplace. This, in turn, is expected to boost productivity and ultimately lead to improved performance. It cannot be denied that Ex is a complex goal to achieve. Scholars consider it as a multi-dimensional construct, which is commonly divided into three categories, known as physical spaces, culture and technology [11]. Nevertheless, it is essential to acknowledge the dual impact of technology in enhancing the employee experience [13]. Consequently, organizations committed to creating a positive employee experience must harness the power of technology and ensure they have the necessary tools in their arsenal. It is noticeable that even in the digital era, studies identified that human experiences are high in demand [14].

Enhanced service attributes come not only from the empowerment of digital technology but also from a transformation in the working philosophy of human resource management departments. With the advent of the experience economy, in which emotions take precedence over cost-effectiveness, the concept of employee experience is positioned to become a foundational principle in workplace design [15]. Especially for the younger generation of employees, to whom an organization whether could offer work experience meeting their expectations is becoming unprecedentedly important. HRM practitioners, if unable to serve employees in the digital era with a service-minded approach, may face a slump in work efficiency and a sharp loss of excellent talent [11].

Service orientation implies that HR departments apply digital technology more to transactions that meet employee needs. This is a revolutionary subversion of traditional management thinking. HRM work enhances and empowers employees, enabling them to navigate their career development paths with greater autonomy by providing a better work experience.

2.3 Updated Employment Modes

Digital technology has thoroughly upended the ways in which individuals connect with each other and with organizations, allowing more and more complex connections to be possible [16]. This change has had a profound impact on HRM work.

2.3.1 Hybrid Work Model

One issue under this topic is the so-called “Hybrid work model”. COVID-19 brought teleworking to an unprecedented level, and the work model which combines physical work environments and remote working has remained post the pandemic. Being a new working form, hybrid work model is relatively new and its benefits and drawbacks are still being discovered. Holding an optimistic view, some researchers it leads to positive outcomes for both employees and employers. In hybrid work model, employees have increased freedom and autonomy to choose where and when to work, reduced commuting expenses and improved work–life balance, as it allows employees to balance multiple roles [17] [18]. Moreover, employers seem to be benefited from minimized operating costs related to reduced office space, access to a broader talent pool, and enhanced employees’ satisfaction [19].
As to disadvantages, the hybrid work arrangements may be challenging for employees to establish clear boundaries between work and personal life when working from home, potentially leading to overworking and burnout [20]. Also, employees working remotely may not have the same access to office resources, equipment, or support, which can hinder their productivity, let alone with the communication Challenges. Nevertheless, the feelings of isolation and loneliness cause both mental and physical problems in the long run [21]. Therefore, creating an unified digital workplace using modern technology, enhancing teamwork efficiency, reducing team communication costs, and boosting employee dedication and sense of mission have become important issues for HR departments.

### 2.3.2 Flexible Employment

Besides the transformation of work model, employee relationship has changed as well undergoing the digitalization. Amladi opines that changes in working methods will inevitably bring about a transformation in employment modes, and a diversified, highly flexible labor force composition will be a very common scenario in the digital age [7]. Among which, gig workers have become a growing portion of the workforce and attract interest to researchers. The rise of digital platforms, online marketplaces and smartphone usage has made it easier for individuals to find short-term, project-based work. These platforms connect gig workers with employers, enabling flexible work arrangements. This short-term contractual relationship stands to benefit both employers and gig workers. Some organizations benefit from hiring gig workers to fill specific skill gaps or manage fluctuating workloads. As to many individuals seek flexibility in their work schedules and locations. Gig work allows them to choose when and where they work, which is particularly appealing to those with diverse personal commitments [22]. Meanwhile, the changes in employee relationship come along with challenges. The debates about the gig work is multifaceted and encompasses a range of perspectives and issues, including worker rights and protection, wage fairness, job security and stability, etc. [23].

While technology has created gig work opportunities, it has also led to automation and the gig economy's integration with artificial intelligence. Some gig tasks, such as data entry or content generation, can be automated, affecting the type of work available to gig workers. Another cause for concern is algorithms and data digital labor platforms used for panoramic control of gig workers, which is prone to a series of ethical problems [24]. HRM in organizations hiring gig workers is also experiencing challenges in talents selection, utilization and education. One central point of contention revolves around the employment status of gig workers is that only stable workforce and strong culture can be seen as sources of competitive advantage by conventional management views [25].

### 2.4 Balance between the Efficiency and humanity in HR Decisions

Under the wave of digitization, everyone is marveling at the enormous convenience technology brings to work and life. For example, in talent identification, digital technology can help HR managers locate potential competents from a massive pool of candidates at several times the efficiency of previous methods [26].

HR professionals are increasingly turning to predictive analytics to make data-driven decisions. These analytics can identify trends, patterns, and correlations in employee data, aiding in areas such as talent acquisition, retention, and performance management [27]. Advantages of such practice are obvious. Firstly, it can help identify the most suitable candidates for job positions, improving the quality of hires and reducing turnover. Also, algorithmic decision-making can automate routine HR tasks, such as resume screening, candidate sourcing, and scheduling interviews, saving time and resources for HR professionals [28] [29]. Besides these economic reasons, algorithms play a crucial role in mitigating human biases in HR decisions, fostering fairness and objectivity, particularly in areas such as recruitment and performance evaluations [30]. However, controversial points lie in the problem of data quality, over-reliance on data and the unnoticed bias in algorithms. [31]. Even in situations where digitization looks so promising, the importance of people in organizations cannot be lost, and the human element must be ensured within organizations [32].

First of all, as of now, all technologies applied in HRM are only executors after humans issue instructions, while humans themselves are the most important and the only innovators. Without innovation from people, development will surely stagnate, reflecting the most irreplaceable aspect of humanity.

Secondly, although digital HRM provides practitioners with massive data and can give them decision-making advice or options based on data, ultimately, people make the final decisions. Even in some special cases, the human factors such as values possessed by individuals can overturn the decision-making advice given by data, making judgments that are more beneficial to the organization.

Lastly, humans have empathy that digital technology does not possess, which is crucial in HRM. As mentioned earlier, future HRM will be service-oriented, and empathizing with employee experiences and ideas is necessary to make targeted work arrangements. Digital technology itself is cold and emotionless. Even if digital technology can greatly improve the work efficiency of HR managers, organizations still need to pay attention to the human aspect in work. Ensure that the warmth of humanity is not completely replaced by cold numbers.

### 3 Summary

In conclusion, the digital transformation within human resource management underscores a pivotal evolution in the labor landscape. Digital natives are reshaping the
workforce, necessitating a digital-savvy approach to HRM that also honors the enduring value of face-to-face interaction and the human element. Hybrid and gig work models reflect a deeper change in employment relationships and work modalities, balancing autonomy with the challenges of remote collaboration. The future of HRM research must focus on optimizing digital tools while ensuring that technology enhances rather than supplants the human-centric aspects of work. This balance is critical in fostering an environment where innovation flourishes, and employee well-being is paramount. Ultimately, the successful integration of digital strategies will hinge on HRM’s ability to harmonize the efficiency of digital solutions with the irreplaceable nuances of human judgment and empathy.

4 Future Research Directions in Human Resources Management under Digital Transformation

Based on the review of recent research themes in human resources management under digital transformation, this article summarizes the following four promising research directions for scholars in related fields to reference.

(i) Organizational Efficiency Issues in "Born Digital" Organizations

The entry of a new generation of digital natives into the workplace will give rise to a batch of organizations that are "born digital". The members of these organizations have an innate adaptability to digitization and even an inherent maladaptation to non-digitization. For employee groups with such characteristics, how such inherently digital organizations achieve higher organizational efficiency through which mechanisms will be a question worthy of study.

(ii) The Involution Tendency Problem in Service-Oriented Human Resources Management

Although digital technology does indeed help HR managers provide employees with better work and life-related services, blindly following the trend to enhance employee services may plunge many enterprises into ineffective involution competition. Under the premise of the overall strategic goals of service companies, how to use limited resources to provide services that satisfy employees will be an important challenge for HR managers.

(iii) The Reconstruction Issue of Relationships Between Individuals and Organizations Under Digital Transformation

With the advancement of digital technology and the updating of concepts, the relationship between individuals and organizations is no longer simply clear. New workplace phenomena, including multiple job slash youth, are becoming an irresistible new trend, bringing new opportunities and challenges for both laborers and employers. These new cooperation models between individuals and organizations will inevitably bring a lot of new practical and theoretical issues that need to be resolved.

(iv) The Balance Issue Between Humans and Digital Technology

The goal of digital transformation is to enhance the operational efficiency of organizations, not to replace humans with technology. When managers rely on information technology and digital technology to make management decisions, how to balance the advice provided by computers and the direction guided by experience is a new topic faced by managers under digital transformation, and it is also a direction that scholars need to explore in future research.

References


