

OPPORTUNITIES AND RISKS OF HUMAN RESOURCE MANAGEMENT IN THE CONTEXT OF DIGITAL TRANSFORMATION OF MANAGEMENT SYSTEMS

Tatyana V. Klenova

Volgograd State University

Abstract

Under the influence of digital technologies, the human resource management system of an organization is undergoing transformation. The main task of digitalization in HR is the potential to increase business efficiency based on the realization of existing human potential. Successfully addressing this task is one of the main prerequisites for the active digitalization of this field. Today, digital technologies affect almost all elements of the human resource management system: recruitment and selection, evaluation and certification, development and motivation of personnel, which, in turn, sharply increases the demand for digital skills among HR managers and enterprise leaders. Modern enterprises, having assessed the advantages of digital technologies, often implement them, directing significant investments. At the same time, the presence of certain risks in their application necessitates a comprehensive analysis and a certain period of adaptation to new working conditions and organization of human resource management.

Keywords

Human resource management system, digitalization, digital technologies, opportunities, risks.

INTRODUCTION

The professional activity of an individual, regardless of its direction, undergoes various transformations under the influence of scientific and technological progress. Historically, it has so happened that human labor is most susceptible to transformations occurring in society - these include social, economic, political, technical, and technological changes. If in prehistoric times the main innovation was complex tools, in the Renaissance - works of art, in the 19th century - industrial machines and factories, then at present we can talk about a digital revolution that has affected, among other things, the field of labor relations between a person and the objects of labor, its subjects and organizers. In turn, the new realities necessitate a revision of already established management systems, setting new tasks for managers related to the digitalization of management processes.

The purpose of the study is to determine the additional opportunities that digital technologies provide for the field of human resource management when implementing a systematic approach. In addition, it is important to establish the most probable risks, the presence of which can lead to significant losses in labor productivity.

METHODS

The analysis of scientific literature allowed for a comprehensive study of the conceptual and theoretical aspects of the transformation of the main subsystems of the human resource management system in the context of the growing volume of digital technologies. A review of individual practices of applying digital technologies in the HR field led to general conclusions regarding the existing experience, dynamics, and trends of digitalization with all the advantages and disadvantages identified by specialists. The personal viewpoint on the presence of risks was formulated based on the study of survey results on the specifics of digitalization of HR processes.

RESEARCH RESULTS AND DISCUSSION

Today, the active implementation of digital solutions in the HR field makes the personnel management process less labor-intensive and more logical, simplifying the work of the organization's HR staff. In a broad sense, digitalization represents the transformation of social institutions through the introduction of new electronic information and computer technologies into the direct activities of organizations and social structures. These processes affect all spheres of public life in a given country - government bodies, the economic sector (both public and private), mass media and advertising, education, leisure, and so on. As a rule, such changes occur through the development of proprietary or the acquisition of ready-made electronic information and digital technology products, the creation of new activity routes considering these technologies, and the training of personnel to work in a digital environment. In a narrower sense, the digitalization of enterprises affects a range of organizational aspects, including the personnel management system.

In the practice of modern management and organizational psychology, personnel management is defined as "...a system of systematically organized impacts carried out through interconnected organizational, economic, social, and psychological measures aimed at creating conditions for the effective use and development of the professional potential of the employee to ensure the effective functioning and development of the organization..." [1].

Hence, it follows that personnel management is a rather complex,

ambiguous, and structured process, and with the introduction of new technologies, this process becomes even more functional and broader.

As a rule, the personnel management system includes several main components [2]. Firstly, this is personnel planning (recruitment, interviewing, hiring, and dismissal). Secondly, it includes personnel training and direct interaction with them. Thirdly, personnel management implies personnel development (improving employees' qualifications, training in new technologies, organizing personal and professional growth training, etc.).

A number of scientists (K.F. Grey and E.U. Larson [3], N.P. Dedov and S.Y. Manukhina [4], I.S. Leonova, T.N. Lobanova, and L.N. Zakharova [5], etc.) also believe that the fourth important component of the personnel management system is the psychological support of the organization's employees. This, in our opinion, is an important remark regarding the peculiarities of introducing digital technologies specifically into the field of human resource management, which, as is known, significantly differ from other types of economic resources of enterprises.

The specifics of introducing digital technologies into enterprise personnel management systems have been studied by representatives of various scientific and practical fields, making this issue quite relevant today. The constantly growing business needs to find sources of cost reduction and increase the results of economic activities necessitate the use of modern technologies in personnel processes. These conclusions are confirmed by survey results obtained by Coleman Services. Thus, out of 100 percent of the surveyed organizations, 77% have already implemented automation in personnel record-keeping, 55% use digital technologies for personnel assessment, 38% have automated the process of compensation and benefits payments, 35% of enterprises use digital technologies for employee training and development, and 21% have implemented digitalization in the recruitment and selection subsystem [6].

Personnel planning in the digital age has undergone significant changes. Despite the fact that not all organizations in the Russian Federation have yet switched to full digital support for personnel planning, researchers (I.E. Gergiev and M.O. Plieva [7], E.E. Muradalieva [8], V.K. Potemkin [9], etc.) in the field of management note the high efficiency of electronic information technologies in this personnel management subsystem.

If twenty to thirty years ago, personnel recruitment was carried out through advertisements in newspapers, radio, and television broadcasting, as well as through oral transmission of information about vacancies in the micro-society, now this process has almost completely shifted to the information technology environment - the Internet. Specialized websites have been created with the ability to post vacancies and search for potential candidates (for example, trudvsem.ru, hh.ru, rabota.ru, superjob.ru, etc.). Internet resources for video conferencing (for example, skype.com, Zoom.com, trueconf.ru, etc.) are actively used to conduct interviews with potential candidates for various positions and assess their professional qualifications.

Document management related to hiring and dismissal has also been transferred to the digital environment in many enterprises - special applications have been created, databases have been formed, and entire software programs have been developed. The implementation of this approach to the use of digital technologies allows expanding the search area for candidates with the necessary qualitative characteristics, selecting those who have the greatest potential for performing planned work. In turn, a correctly selected employee is a worker motivated to achieve high performance and long-term professional employment in this organization.

Personnel training and development, as well as direct interaction with them in the digital age, have undergone similar changes, with social networks

and messengers (for example, VKontakte, Telegram, etc.), online training, and distance courses being actively used. A significant leap in the use of these technologies occurred in recent years when organizations adapted to new forced working conditions resulting from the coronavirus (COVID-19) pandemic.

The process of personnel adaptation in the conditions of digitalization of management systems is becoming more technological and mobile. Specialists are familiar with such digital adaptation tools as Welcome! training, E-Learning methodology, automated talent management system, etc. As a rule, the practice of developing relevant programs, courses, and training for integrating a new employee into the team is more characteristic of large companies, which can be explained by the presence of necessary specialists and financial resources.

As a positive effect of using digital technologies in this personnel management subsystem, scientists note the reduction of costs for maintaining paper document management, reducing the percentage of errors both among new employees and the organization's management in relation to them, the ability to control the situation and promptly make the right decisions regarding both professional and socio-psychological adaptation of the newcomer [10].

The assessment of an employee's professional activity is an important element of a systematic approach to personnel management. Assessment results are usually associated with motivation, the need for further training and development, as well as dismissal. Assessment allows HR specialists to receive timely and objective information about employees' professional qualities, qualification levels, and the presence of strengths and weaknesses. According to a study conducted by the HR company "Soter", more than half of the respondents (55.3%) note the effectiveness of digital technologies for personnel assessment. The advantages include convenience and accessibility, processing speed and time savings, and the ability to update on request [11].

One of the most demanded topics in scientific circles remains employee motivation, which now takes on a new "design" in the conditions of digitalization. Motivation is significant both for the employees themselves and for the organization. The process of building an effective motivation system is quite complex, as the tools that motivate some employees may have no significance for others.

The multifaceted nature of this personnel management subsystem in its construction determines the importance of collecting huge amounts of diverse information, the laboriousness of processing the obtained data, and the need to develop correct solutions. Probably, all these tasks, or rather, the need to solve them, can serve as the main prerequisites for turning to digital technologies. As for the opportunities, specialists note the reduction of labor costs, the increase in the reliability of the obtained results regarding the most effective motivation structure, and the increase in the effectiveness of material and non-material employee incentives. All this is possible thanks to various services: "KpiDriv", "HRmaps", etc. In addition, we can talk about an artificial intelligence system that can build educational trajectories for employees based on the study and analysis of skills, labor actions, and employee behavior.

Digitalization also leads to the improvement of employee training and psychological preparation processes through the use of demonstration materials (video and photo files, presentations), special applications, and the organization of remote training and training events and conferences. The presence and use of personal gadgets and devices make the process of personnel training continuous, increasing their competitiveness in the labor market on the one hand, and on the other, allowing more effective resolution of production tasks. The growing interest of companies in introducing digital technologies into the personnel training and development subsystem is due to the opportunities to acquire new competencies and reduce the costs of training

specialists in necessary skills. Specialists list the most popular types of digital training. The first place is occupied by Internet training (55%), the second place is taken by video conferencing (46%), and about 15% is occupied by personnel training through the company's internal network [12].

The positive influence of digitalization also includes the emergence of new ways of communicating with team members. Here, a new concept for domestic organizational psychology emerges - omnichannel interaction. This type of intra-organizational communication can be characterized as the interaction of organization employees with each other, with managers, or clients through a common system that includes phone, chats, SMS, mail, social networks, mobile applications, and other means, to ensure «seamless» and continuous communication without any loss of information when switching from one channel to another.

In other words, all communication is reduced to a series of specialized chats where personnel can exchange professional and any other information. Such interaction can be an object of observation for organizational psychologists, as it allows identifying the psychological atmosphere in the team, communication styles with each other (formalized, informal, friendly, free, etc.), recognizing and smoothing out emerging conflicts, preventing the spread of rumors, negative reactions, and identifying employees who need a particular type of psychological assistance.

At the same time, such significant transformations in the personnel management system, which digitalization entails, cannot but lead to certain risks. Firstly, digital technologies (at the moment) are “not cheap” and require quite large financial expenditures from the organization. Accordingly, the risk of “underfunding” the necessary technologies for implementation can lead to the emergence of a negative synergistic effect when the properties of the newly formed system are in contradiction.

The risks of digital space dominance over ordinary reality appear to be quite high. The digital environment becomes a kind of substitute for reality. Virtuality and reality, thus, intertwine and complement each other, creating a precedent for an additional and specialized process of recognizing or solving professional tasks [13].

Psychological risks will consist in the fact that certain categories of employees cannot adapt to new technologies, learn them, and successfully use them in their professional activities. This leads to negative reactions from people losing their jobs, the accumulation of stress, and an increase in the number of conflicts in the workplace.

Equally significant are the risks of data loss and the use of employees' personal data without their consent.

CONCLUSION

Thus, it can be noted that the situation with the organization of the personnel management system in the conditions of digitalization is ambiguous in modern Russia. It can be confidently said that the introduction of new electronic information and computer technologies has gained momentum in recent years, affecting almost all aspects of managerial activity in the organization - from the initial stage (namely, employment) to personal growth and psychological support of already working personnel. At the same time, such rapid growth of digitalization of professional activities entails both positive changes and certain risks, which must be taken into account to prevent losses in labor productivity.

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Об авторе:

Tatyana V. Klenova - Ph.D. in Economics, Associate Professor, Department of State and Municipal Management and Economics of Innovations FGAOU VO "Volgograd State University", 100 Universitetsky Prospekt, Volgograd, Volgograd region, 400062, e-mail: tat.babitch2017@yandex.ru.

ORCID ID: 0000-0002-7381-8490

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