

Exposé

**Challenges and changes for the Human Resource Management  
of companies in the working world 4.0 and the role of  
digitalization**

Author: Céline-Sophie Röder

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Faculty for Psychology, Sigmund Freud Privatuniversität

Supervisor: Univ.-Doz. Mag. Dr. Tarek el Sehity

1. Chosen Topic:

Challenges and changes for the Human Resource Management of companies in the working world 4.0 and the role of digitalization

2. Aim of the work and research question:

This work is located in the field of personnel psychology and is therefore strongly associated with economic psychology in general. Work and the world of working are topics that have changed significantly over the years and continue to change constantly, creating an exciting field in which this thesis should move. Considering work as a meaningful activity that offers the opportunity for personal development the reason why this works research field of economic psychology has been chosen is reasonable.

Goal of this master thesis would be to identify current challenges HR departments in companies are facing and the profound changes that have to be considered regarding a shift in work and the work life of employees. Therefore, the phenomenon of “new work” and “work 4.0” is used to identify the differences from previous working generations and their working conditions and simultaneously answer the question whether the working world is changing and as a result which challenges for the human resource management may arise. In addition, this work will deal with the phenomenon of digitization and how it can be related to changes in human resource management. The selected topic and the chosen focus of this work, which should illuminate, identify and explain different, current phenomena regarding HR related topics, results in the following research question, which this work’s aim is to answer: Which challenges and changes of human resource departments in companies and in general can be identified when taking phenomena like the working world 4.0 into consideration and which role plays digitalization in this process of change?

3. Current state of research:

Stone and Deadrick identify four different topics that represent challenges current Human Resource departments are facing, namely the change from manufacturing to a knowledge and service economy, the globalization, generational changes and diversity and a change in technology (2015, p. 139). As mentioned before work and the working world are a constant developing topic, the economy connected to work has changed as well. Knowledge is a core competence that employees nowadays should have which results in reorganizing demands of organizations and leads to organizational changes in HR, where still processes are used that have been developed during the industrialization. The design of jobs and therefore the recruiting process is changing to emphasizing an employee’s autonomy, a rising level of innovation and an expectancy of team work and skills for decision making, which can be lead back to an increase of knowledge skills in the current working environment (Stone & Deadrick, 2015, p. 140).

The second aspect changing HR is a rise in globalization, which results in challenges regarding language barriers, cultural and social expectations and different norms, laws and political systems. Stone and Deadrick assume that globalization resulting in diversity can be seen rather an opportunity than a challenge, based on research that showed how creativity and innovation increase with diversity (Stone & Deadrick, 2015, p. 141).

Another factor that should be taken into consideration in HR is a massive age shift in the workforce, which will be happening soon. Especially the generational differences and skills of each generation are forcing HR Departments to overthink existing systems and work processes. In order to meet each generation's expectations of working conditions and systems, new arrangements like home office or 20-hour-weeks have to be taken into consideration in order to bind employees to the company. In addition to the issue of increasing age levels, organizations increasingly consist of many different people from different generations who share a working place (Stone & Deadrick, 2015, p. 141).

Digitalization is a technological construct that is changing society and economy. Aspects like products, services and processes will be transformed, which will be an operation changing the working world, not only affecting HR departments but the whole structure of companies. Two challenges are faced by Human Resource Management, namely preparing and developing employee's skills for a digital change in companies and identifying the potential of digital processes for HR (Weigert, Bruhn, & Strenge, 2017, pp. 324-326). Weigert, et al. named six personnel processes, which have been identified with the highest potential for digitalization, namely recruiting, administration, operational personnel planning, HR Development, performance management and compensation and benefits. How these processes are digitalized is dependent from the chosen digitalization strategy of each company (2017, p. 327). Taking a deeper look into the topic of recruiting and talent acquisition the challenges regarding digitalization that HR is facing are severe. World Wide Web and social media are forcing HR to change recruiting process from print media to digital mediums (Weigert, Bruhn, & Strenge, 2017, p. 329). In the IAP Study about work 4.0 63% of those questioned, namely managers and experts stated to work with social media in the recruiting process (Genner, et al., 2017, p. 24). HR Professionals asked, mentioned four big changes HR departments are facing: Increased use of social media in talent recruiting, early maintenance of contacts in the recruitment process reversion of recruitment, where potential candidates expect active sourcing and young applicants, who search for digitally progressive companies (Majkovic, et al., 2018, p. 22).

In order to make a significant contribution to digital transformation, HR must be aware that we are facing a long-term and possible disruptive change in the world of work. Certain aspects like enthusiasm, empathy, flexibility, but also communication skills are still core competencies for the personnel function. What certainly will be new are equally strong analytical skills and the handling of complex amounts of data from different data sources (Weigert, Bruhn, & Strenge, 2017, pp. 334-335).

The phenomena of work or industrialization 4.0 takes different trends and aspects about the working life and work environment into consideration. The concept work 4.0 deals with trends and environments that views work from different perspectives. As described in the previous paragraph digitalization always has to be considered when referring to working world 4.0. In each phase of change in HR digitalization has always been playing an important role and can be named one of the essential drivers of change processes in the world of work (Rump & Eilers, 2017, p. 5). Digitalization is currently being researched and analyzed regarding the concept of industry 4.0. This term has been first mentioned at the Hanover Fair in 2013. Through the presentation of this concept new challenges have been identified, but also great opportunities in terms of growth and creation of value. Research has shown that Industry 4.0 has great economic potential (Rump & Eilers, 2017, p. 7).

Other aspects in the working world that have been identified being affected by the industrialization 4.0 are work quality, health, job satisfaction and the general level of qualifications and competencies. Challenges that not only HR is facing but companies and departments in general are legal defiance, like the protection of data privacy, IT security and standardization of national norms (Botthof & Hartmann, 2015, pp. 5-8).

The IAP study conducted qualitative interviews with executive leaders and professionals where inter alia three aspects in connection with work 4.0 have been identified, namely mobile-flexible working and personal development. Agreements on home office, work flextime or mobile work can be seen as a trend in the world of work 4.0. Nevertheless, 80% of those questioned stated that they still had their own job, with 57% assuming that this concept would soon be no longer existent (Genner, et al., 2017, pp. 12-15).

Flexibility and work-life balance are two of the typical demands of workers in 4.0 working life. Employees expect further training, support and feedback about their own skills development (Genner, et al., 2017, p. 20).

Digitization and the emergence of new occupational fields and job profiles require the conception of additional skills profiles. In addition to digital communication and mobile-flexible forms of work as essential characteristics of digital change, the professionals mentioned the importance of interpersonal relationships. Humans and the importance of empathy will be equally important in the digital context (Majkovic, et al., 2018, p. 23).

#### 4. Method:

A mixed methods approach proves to be useful in regard to the chosen topic in order to be able to shed light on both sides of the working world, namely employees and employers. The employers' perspective should become clear in the context of expert interviews focusing on a key question interview, which would provide the qualitative access. Expert interviews are suitable as a qualitative method to that effect that these interviews should be used to identify the experts' knowledge of a specific issue and then analyze it (Gläser & Laudel, 2010, p. 12).

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The employees' side is to be inquired questioning people from Generation Y and Generation X using a quantitative online questionnaire. In order to represent different generations and therefore different expectations and ideas about the working life, at least two generation should be represented in this study. The advantage of online surveys can be seen in the quick generation of large sample. Although anonymity and social desirability can be mentioned disadvantages, it is reasonable to assume that this is limited to the selected topic (Zillien & Pauli, 2018, p. 339).

5. Time schedule:

Date	What to do?
16.12.2019	Submission Exposé
20.12.2019 -20.1.2020	Peer review
10.2.2020	Round Table Meeting
02-03.2020	Improvement based on the feedback
04-05.2020	Literature research
06.2020	Completion of Exposé
07-12. 2020	Literature research
01.2021	Preparing and conducting qualitative and quantitative survey
02-03. 2021	Writing theoretical part
4.2021	Analyzing surveys
5.2021	Revision

6. Preliminary table of contents:

- Introduction
- HR Management
  - Task Positions
  - Challenges
  - Changes
  - Opportunities
- Working world 4.0
  - Definition
  - Working conditions
  - HR Processes affected
- Generations X & Y
  - Definition
  - Similarities and Differences
- Digitalization

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