

The Academy of Management and Administration in Opole

IMPROVING LIVING STANDARDS IN A GLOBALIZED WORLD: OPPORTUNITIES AND CHALLENGES



The Academy of Management and Administration in Opole

Improving living standards in a globalized world: opportunities and challenges

Monograph

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Editorial Office:

The Academy of Management and Administration in Opole 45-085 Poland, Opole, 18 Niedziałkowskiego Str. tel. 77 402-19-00/01

E-mail: info@poczta.wszia.opole.pl

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2.2. Features of HR management digitalization as the basis of the modern enterprise development

Nowadays, the issues of effective personnel management in enterprises using digital technologies are becoming increasingly important. With the transition to the information society, introduction of Industry 4.0, lead to a gradual transformation of the workplace. Personnel processes at the enterprise can no longer be imagined without specialized information systems that allow automating the processes of selection, personnel accounting and administration of personnel, internal communications, training of HR analytics, evaluation, and more.

The personnel focus of the future is to form an employee development plan that best meets the business strategy and customer expectations, personnel decisions through data analysis. In the short term, HR managers must organize their work so that the business can take full advantage of the joint work of people and machines, i.e. prepare staff to work together with the latest technologies.

A key point in the management of professional development is to determine the needs of the enterprise – mismatch between the professional knowledge and skills that staff must have to achieve enterprise goals and such knowledge and skills that he actually has. Determining the professional development needs of an individual employee requires the joint efforts of the HR department, the employee, and the HR manager.

With the beginning of Industry 4.0, new development trends appear in the economy and society, new technologies are introduced, which radically change the enterprise business processes, production and society. In order to succeed in today's digital society, employees need to have relevant knowledge and skills that are not amenable to robotics and automation.

Employees' abilities such as analytical and critical thinking, leadership skills, ability to work in a team and establish the necessary communication, initiative, broad outlook, ability to make effective decisions and quickly adapt to change are relevant [1].

The McKinsey Global Institutees study of the potential effects of digitalization and its impact on the United States economy shows that jobs are shrinking, but a net positive increase in jobs is projected in the strategic perspective until 2030. McKinsey Global Institute experts say that "automation does not happen in a vacuum", so the driver in this process is just society. Accordingly, during the transformation process, a specific quality is important – ability to adapt and gain new benefits in a changing environment [2].

The evolutionary transformations of the digital and physical worlds take such forms as, at first, Cyber-Physical Systems (CFS) allow you to combine computing and physical (mechanical or electronic) capabilities. CFS provides the ability to exchange information, monitor, control, achieve optimization and autonomy. For example, it is possible to create an autonomous automated intellectual production line with production processes, which is connected to an individual via the Internet.

Secondly, the Cyber-human system (CHS), which is integrated information technology in the human body. For example, health information sensors or innovative computer displays and tactile interfaces designed for the visually impaired [3].

The main digital technologies used today are BioTech, NanoTech, BlockChain, RetailTech, FinTech, LegalTech, Digital-marketing, Grid-technologies, GovTech, e-ID.

Among which the most popular in Ukraine innovative trends of the modern socio-economic environment are digital technologies, goods, products, services, and tools such as Internet of Things, electric cars, cloud technologies, 3D printing, Big data, BlockChain, RetailTech, FinTech, LegalTech, Digital- marketing, Grid technologies, GovTech, e-ID, TeleHealth, ePrescription, e-democracy, Digital insurance, BioTech, NanoTech [4].

It should be noted that the enterprise digital transformation is carried out in different planes, as changing technologies and business processes built on them, which in turn leads to modifications of the structure, management system, enterprise's corporate culture.

Digital business transformation involves organizational change using digital technologies and business models to increase productivity. Strategy should be considered as the basis of digital transformation, which determines focus of transformations and the target level of enterprise digital maturity. The tools for detailing and implementing such strategy are a business model, roadmap and project portfolio, balanced from the standpoint of implementing technological and non-technological innovations aimed at increasing the enterprise digital maturity [5].

Digitalization of business processes involves optimization of the enterprise resource potential to increase efficiency of tasks by introducing the latest technologies in business processes. Manifestations of digitalization can be expressed in the form of digitalization of workplaces, using tools such as mobile devices, technologies, Internet networks for unified communication and independence of location. Digitization requires more approaches than just digitized data, because the list of procedures that can be digitized is very large, from digitization of production processes, control of work performance and product quality, communication with the team and customers, ending with logistics and deliveries. The introduction of such changes is a transition from the usual form of doing business to digital by creating new flows of digital income and supply.

The conceptual scheme of the business model digital transformation of industrial enterprises is based on a sequence of stages developed in 2017 by German economists [6] and improved elements in terms of social and industrial bloc, which allows to adapt industrial enterprises activity efficiently as possible and provides flexibility to respond to management decisions in a transformational environment.

At the first stage of the management mechanisms digital transformation of the industrial enterprise it is necessary:

- introduction of unified programs for use in different divisions of the enterprise;
- unification of operational processes in the corporate center and production units;
- pilot implementation of separate digital control technologies.

Business process automation based on the consistent development of information technology includes:

ERP – enterprise resource planning system;

SFA – Sales Force Automation System;

CRM – customer relationship management system and SCM – supply chain management;

BPM – business process management;

BI – business analytics.

The next stage of digital transformation of enterprise management should be the development of HR management. To intensify innovative development, a fast, unified, secure, and comfortable general information exchange system is extremely important, especially for prompt decision-making.

Like other areas of management, this section is in constant development, directly dependent on external factors of the enterprise. However, the basic structure of HR management is the same for everyone and is based on the functional areas it covers (Fig. 1).

Along with providing significant advantages in the organization of personnel work, the use of digital HR increases requirements for competencies and professional qualities of the employee, the level of relevance of his knowledge and skills, cross-functionality of the specialist, and ability to generate new ideas. All this requires a balanced, thoughtful, and competent approach to the formation of personnel policy, based on the active use of advanced technologies and provides high productivity, innovation, flexibility, and adaptability.

Analysis of the digital technology implementation experience by international companies and taking into account current global HR trends, it should be noted that personnel functions are undergoing serious changes. And this applies not only to the digital transformation in the routine processes of selection, evaluation, staff training but

also in the management of professional and innovative development of the company's staff.

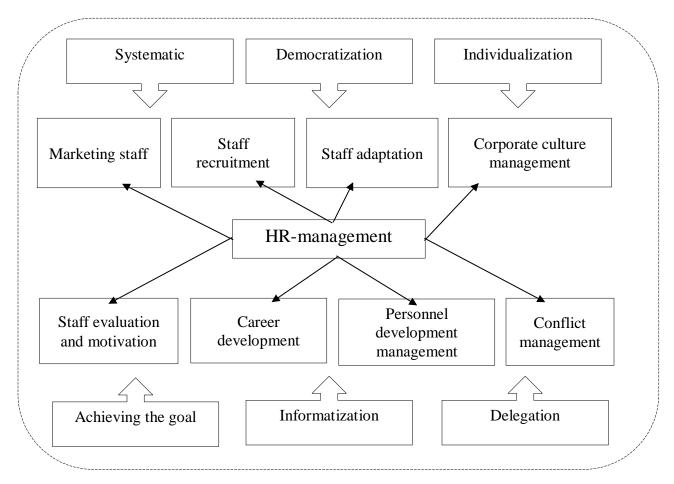


Fig. 1. Structure of HR management

According to the results of the Digital HR study, every ninth company out of ten has automated its HR processes. A significant share of investment was directed to the development of mobile digital technologies, such as job sites (23%), social networks (29%), and online tools for assessing candidates (5%). Cloud technologies (4%), monitoring systems of the company's mentions in social networks and mass media (3%), as well as BigData (2%), are less involved [7].

The digital transformation of HR management involves a revision of the enterprise personnel policy in the direction of the implementation of remote forms of work and

digital methods of communication. The focus is on the smart working model, which uses new technologies to increase productivity and job satisfaction through the organization of digital jobs.

The latter are virtual, mobile, flexible, do not require the constant presence of employees. The company is able to use limited resources more efficiently, while staff – work remotely using e-mail, instant messaging, tools for virtual meetings. The implementation of SMART-working principles in the enterprise requires the staff to have the appropriate digital skills, the ability to self-study and solve complex problems in an ever-changing environment [8].

As part of the implementation of digital HR management, the following innovative solutions can be identified (Fig. 2).

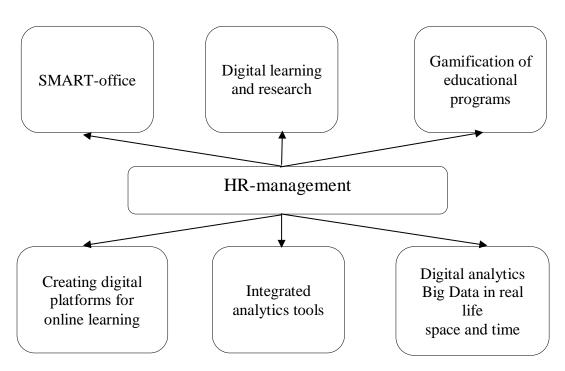


Fig. 2. Digital transformation of HR management

Any digital technology, when implemented, can significantly increase the risk of information leakage, especially in the field of personal data storage and handling of confidential information. Ensuring an adequate level of security significantly increases the cost of digitalization. The digital transformation of the enterprise involves not only

the installation of modern software, but also significant changes in management, as for the introduction of new digital technologies must be specially trained staff.

The main tasks for managers in the context of digitalization are: timely adoption of optimal management decisions; search and selection of highly qualified IT services specialists; organization of international internships and advanced training of competent personnel; use of new means to improve work motivation; technological automation of business processes; development of IT infrastructure [9].

The digital economy also transforms the traditional functions of enterprise management, i.e. there are significant changes in HR management: savings in finding qualified personnel; increasing the confidentiality of information; reduction of administrative costs. To get the maximum benefits from the introduction of digital technologies, HR competencies should be clearly defined, differentiated by levels, applied to the performance of any functions of HR management.

The HR manager must act as an intermediary between the company's management and the team, he must maintain neutrality, have moral endurance, have a strong will and emotional restraint. To ensure effective teamwork, it is necessary to have a large amount of information, control all employees in order to provide timely assistance when needed, and process management.

We should not forget that in the digital society, intellectual potential is the basis for the development and operation of any enterprise. An important characteristic of digital transformations in the enterprise is replacement of manual labor with intellectual. "Knowledge" that is formed in the learning process and digital competencies are formed directly during training and in the production process comes to the fore. As a result, there is a transformed intellectual capital, which characterizes the accumulation and use of knowledge in the digitalized activities of the enterprise, allows to increase enterprise value, and reflects the specifics of the relationship and contradictions of labor and material capital. Therefore, it is advisable to consider the impact of business processes digitalization at the enterprise on the activities of the enterprise (Fig. 3) [1].

During the implementation of digital production, the analysis of design options for the post-transformation business model is carried out, their evaluation and comparison with the existing business model is carried out and its gradual support is finalized. Design options are being developed within the framework of digital implementation, budgeting of resource capabilities of industrial enterprises and a process map of innovations integration at all stages of the value chain is being developed.

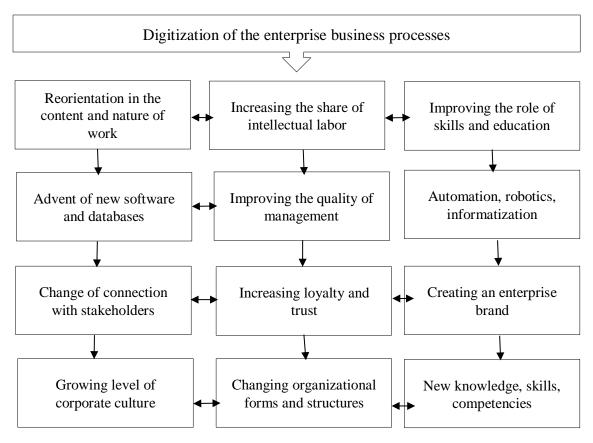


Fig. 3. The impact of business processes digitalization on the enterprise

Thus, the enterprise's digital transformation is a significant challenge for employees at different levels. Most importantly, employees are faced with new leadership styles, organizational settings, updated business processes. In addition, they are required to learn and use new skills and abilities to actively meet the requirements of the business environment, which today is focused on innovation. In addition, the issue of

artificial intelligence and robotics in the workplace will require new concepts to harmonize enterprise internal processes.

Digitization can change the balance between companies that compete in the same market environment, which will affect existing business structures, setting new conditions and changing the way of competition. Businesses need to follow digital trends, gradually implementing them in their activities. Particular attention should be paid to the digitalization of HR management, as the development of the digital economy in the context of globalization requires introduction of a new style of business management, which optimally combines the use of new technologies and interaction with people. The success of professional activities of HR managers is due to the level of their interest in the results of work and responsibility for the implementation of decisions, which necessitates their continuous professional development.

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Part 2. Financial and economic instruments to improve the life quality

- **2.1.** Gafar Baghirov. Formation of agrarian entrepreneurship in the liberated territories of Azerbaijan. Restoration and development of agriculture in our liberated lands is one of the main tasks before us now. This article provides an overview of the damage caused to agriculture by conflicts / wars and the world experience in restoring agriculture in post-conflict zones. On this basis, the directions of agricultural recovery in the liberated territories of Azerbaijan were identified, as well as the expected production indicators as a result of the restoration of agriculture in these areas were forecasted.
- **2.2.** Alina Chaikina. Features of HR management digitalization as the basis of the modern enterprise development. Personnel processes at the enterprise can no longer be imagined without specialized information systems that allow automating the processes of selection, personnel accounting and administration of personnel, internal communications, training of HR analytics, evaluation, and more.

Authors emphasize that the personnel focus of the future is to form an employee development plan that best meets the business strategy and customer expectations, personnel decisions through data analysis. In the short term, HR managers must organize their work so that the business can take full advantage of the joint work of people and machines, i.e. prepare staff to work together with the latest technologies.

In the article was defined that the digital transformation of HR management involves a revision of the enterprise personnel policy in the direction of the implementation of remote forms of work and digital methods of communication. The focus is on the smart working model, which uses new technologies to increase productivity and job satisfaction through the organization of digital jobs.

Authors proved that there are significant changes in HR management: savings in finding qualified personnel; increasing the confidentiality of information; reduction of administrative costs. To get the maximum benefits from the introduction of digital technologies, HR competencies should be clearly defined, differentiated by levels, applied to the performance of any functions of HR management.

- **2.3.** Alona Goloborodko. Challenges and factors of mergers and acquisitions to improve quality of life. The article is devoted to important issues of economic development. The globalization of the consumer market requires new management approaches that enhance the competitiveness of enterprises and the quality of life. At the same time, modern models of competitive behavior have transformed from tough competition to business organization based on the creation of associations. The main method of such mergers can be mergers or acquisitions of enterprises. The article discusses the main problems and factors in the course of mergers or acquisitions, highlights ways to reduce risks and aggregators to accelerate the integration of enterprises.
- **2.4.** Nataliia Kashchena, Nadiia Kovalevska, Iryna Nesterenko. Monitoring of natural capital indicators as tool for achieving sustainable development goals. The article presents the results of the analysis of the food industry, indicating that in modern conditions of economic management, it has a significant impact on the environmental and economic development of the world. The chronological interpretation of the key

- **1.9.** *Svitlana Sukhomlin* PhD in Psychology, Lecturer Dnipro University of Humanities, Dnipro, Ukraine.
- **1.10.** *Olha Temchenko* PhD of Pedagogical Sciences, Associated Professor H. S. Skovoroda Kharkiv National Pedagogical University, Kharkiv, Ukraine.
- 1.11. Svitlana Shevchenko PhD in Psychology, Associated Professor Hanna Varina – Master, Senior Lecturer Bogdan Khmelnitsky Melitopol State Pedagogical University, Melitopol, Ukraine.

Part 2. Financial and economic instruments to improve the life quality

- **2.1.** *Gafar Baghirov* PhD Baku Business University, Baku, Azerbaijan.
- **2.2.** *Alina Chaikina* PhD in Economics, Associated Professor National University «Yuri Kondratyuk Poltava Polytechnic», Poltava, Ukraine.
- **2.3.** *Alona Goloborodko* PhD in Economics, Associate Professor State University of Telecommunications, Kyiv, Ukraine.
- 2.4. Nataliia Kashchena PhD in Economics, Professor
 Nadiia Kovalevska PhD in Economics, Professor
 Iryna Nesterenko PhD in Economics, Associate Professor
 State Biotechnological University, Kharkiv, Ukraine.
- 2.5. Katarzyna Michura Student
 Marcin Oleksiuk Student
 Paulina Szastaj Student
 The Academy of Management and Administration in Opole, Opole, Poland.
- **2.6.** *Marharyta Mukhina* PhD Student *Liana Yancheva* – PhD in Economics, Professor State Biotechnological University, Kharkiv, Ukraine.
- **2.7.** *Kamran Nabizade* PhD Baku Business University, Baku, Azerbaijan.
- **2.8.** *Kacper Pokusa* mgr
 The Academy of Management and Administration in Opole, Opole, Poland.
- 2.9. Liudmyla Shchetinina PhD in Economics, Associate Professor Svetlana Rudakova – PhD of Technical Sciences, Associate Professor Nataliia Danylevych – PhD of Technical Sciences, Associate Professor Ivan Ryabokon – Senior Lecturer Kyiv National Economic University named after Vadym Hetman, Kyiv, Ukraine.
- **2.10.** *Władysław Wornalkiewicz* PhD, Professor WSZiA The Academy of Management and Administration in Opole, Opole, Poland.