

ANALYSIS OF INNOVATIVE PRACTICES IN HUMAN RESOURCE ACTIVITY

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Abstract

The study's aim is to analyze innovation practices in human resources activities. The main tasks are: to analyze the theory of innovative HR practices; to collect information about innovative HR practices in world-famous organizations; to draw basic conclusions. The object of the research is HR functions. The subject is the impact of innovations on human resources activity and the competencies of the specialists in this field. The research toolkit covers analysis and synthesis. Some of the main conclusions are: there are new models of work in HR activity; there are new HR duties; a new way of training HR specialists is needed. The results can be used in the development of a new syllabus.

Keywords: human resources, innovative HR activities, digitalization, gamification, people value chain (PVC) model

JEL: O39, M10, M50

Introduction

The human resources activity goes through different periods of development. The late 19th century saw the employment of more workers in manufacturing. The harsh conditions in which the workers worked led to the need to create the position of welfare officers (Bloisi, 2007, p. 7). Their main duties were to visit the sick employees and supervise moral welfare. Until the year 2000, human resources activities developed under the influence of scientific management (Frederick Taylor), the human relations movement (Elton Mayo), and the problems caused by the First and Second World Wars, as well as the post-war period. Operational HR practices included identifying the skills that are needed for a particular job, calculation of remuneration, recruitment, selection, discipline and industrial relations, performance management, and others. HR's role during this period was more subordinate. Human resources activities were arranged and executed according to the orders of the owners. The development of strategic HR was typical for the year 2000.

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Globalization and continuous turbulence associated with financial and economic crises made it increasingly difficult to make adequate decisions related to human resources in the organization. Therefore, business owners increasingly sought the opinion of HR experts for making strategic decisions related to human resources. Thus, the HR unit becomes a strategic partner in the business.

In all periods, HR activity was influenced by what was happening in society during a specific period. The current development of human resources is no exception. “Technology and artificial intelligence are becoming key elements of HRM practices” (Antonova, Ivanova, 2021, p. 67). The increasingly fast-growing digitization of business has led to innovations in HR activities. The benefits of digitization and the introduction of innovations in HR activity are many, but among the main ones is that: “Due to the rapid development of modern technology, people with special needs have possibilities for equal access to their working environment.” (Nacheva, 2021, p. 76).

There are at least three factors that have changed and innovated HR.

In the first place. The digitization of business led to the digitization of HR activities as well. SHRM data shows that global human resource technology market spending will rise from \$24 billion in 2021 to \$35 billion by 2028. (Robb, 2022).

The reason for this growth (globally) is that companies have digitized processes related to talent management, rewards, attraction and selection, data analysis, training and development, performance appraisal, and employee welfare.

In the second place. The development of artificial intelligence and the needs of Generation “Z”. In March 2023, the first generative AI for HR tech globally, TalentGPT, was launched by Beamery, and it offers personalized experiences for recruiters, employees, managers, and candidates (Precedence Research, 2023). And this is not accidental, because Generation “Z” “are the first digital natives” (Kiss, 2022, p. 23). It is expected that Generation Z will represent 27 percent of the workforce by 2025 (Press, 2024).

The same source states that: more than half of Generation Z spend at least 4 hours using social media, and require a balance between work and personal life. 98% of them have a smartphone and do not stay a long time in one workplace. They are looking for career development and are interested in climate change and inclusive societies.

In the third place. The development of remote and hybrid work. “By 2025, 32.6 million Americans will work remotely by 2025. According to Upwork, by 2025, an estimated 32.6 million Americans will be working remotely, which equates to about 22% of the workforce” (Haan, 2023). Forrester predicts that around 60% of organizations will adopt a hybrid future work model, which is defined as at least 10% of employees working in anywhere-work mode at least two days a week (Forrester, 2021).

These facts, as well as the desire to achieve higher labor productivity, motivate employers to digitize HR activities. Innovations in human resources activities have led to a change in work models and the necessary competencies of HR specialists.

Therefore, the efforts of the present study are aimed at analyzing the innovative HR practices implemented in world-famous companies, as a good example to follow.

Research Methodology

The main aim of the present study is to analyze innovation practices in human resources. The aim was achieved through the implementation of the following tasks: analysis of the theory of innovative HR practices; collection of information about innovative HR practices in world-famous organizations and drawing basic conclusions and recommendations.

The object of the research is HR functions. The subject of the study is the impact of innovations on human resources activity and the competencies of the specialists in this field. The scientific methods used in this research are induction, deduction, analysis; and synthesis.

Hypothesis one of the study. Innovations in HR activities have changed the working model of HR as well as the content of HR activities.

Hypothesis two of the study. Innovative HR practices require new professional competencies of HR specialists, for which a restructuring of existing syllabus and plans is necessary.

In relation to the analysis of innovations in human resources activity, innovations and the innovation environment are essential. Therefore, for the purposes of the research, an analysis of the scientific theory in the field of innovation was carried out. The view that innovation is a “process, activity and outcome of change” is maintained (Chobanova, 2012, p. 23). Organizational culture that supports the creation and maintenance of an innovation environment is of essential importance for the development of innovation. „A key factor in the innovative environment is precisely human resources... Of particular importance is the application of mechanisms that clearly distinguish and differentiate the different talents required for the whole innovative process, talents-generators of ideas, talents-inspirers, talents-performers, and so on.“ (Dineva, 2019, p. 151).

Therefore, it is important not only to create, but also to “audit the organizational culture, including and accompanying cultures, such as cyber culture, risk culture, innovation culture, etc.” (Dineva, 2023, p. 346).

In the scientific literature, there are different definitions related to innovation in different HR activities.

Regarding the innovations in human resource training, I accept the definition that they are “an idea and/or invention that aims to satisfy the needs and expectations of the trainees and, together with that, to build in them competences with which they can adapt successfully in the dynamically changing environment. Moreover, innovations in education are the result of activities carried out through interaction between all stakeholders in the process, creating a motivating environment for innovation, protected from risks associated with the use of modern technologies.” (Peicheva, et al., 2022).

I consider, and accept for the purposes of this study, that innovation in human resources activity is a process during which new ways of working, good ideas, inventions, methods, approaches are created and/or implemented. They change the existing practices in this area lead to improvements in HR activities and benefits for all stakeholders.

For the purposes of the study, secondary data analysis was done for Top 10 Examples Of Successful HR Innovation in 2024 (Karpenkova, 2023) and for the HR activities of world-famous companies such as Google (Khalid, 2023; Mansfield, n.d., White, 2015, Walker, 2023), Cisco, Southwest Airlines, Netflix (Mansfield, n.d.), Avana, Boehringer Ingelheim, DHL, MCC Singapore, (Top Employers Institute, 2023), CRM Salesforce (Andrew, 2020). For Google and Facebook, the results of the research of Piyushi Jain are also used (Jain, 2020).

The results of a study of Fortune 500 are used for the purposes of the analysis. According to it: „Over 98.8% of Fortune 500 companies use ATS, while 66% of large companies and 35% of small organisations rely on them.“ (Bajaj, 2023). Therefore, it is assumed that the analyzed world-famous organizations use ATS.

Discussion

The data analysis of Top 10 Examples Of Successful HR Innovation in 2024 (Karpenkova, 2023) shows that these examples are: AI-based recruitment tools; Digital onboarding; The digital workplace; Employee self-support portals; Automated HR data management; Mobile apps for employees; Gamified training; Chatbots; Employee wellness tools; Employee listening tools.

Table 1 was prepared by the author based on secondary data analysis. It can be supplemented and further developed. In Table 1 some of the innovative practices in human resources activities are shown, based on the analysis of world- in world-famous companies.

Table 1: Innovation practices in human resources activities in world-famous companies

| HR activities | Characteristics of innovations in HR activities | World famous organizations that implement innovations in HR activities |
|---|--|---|
| 1 | 2 | 3 |
| Well-being | On-site fitness centers, complimentary gourmet meals, recreational activities and flexible hours. | Google, Formapost, U.K. Government Communications Headquarters, Facebook |
| | Using a platform, provides its employees with free digital therapy, as well as advice on nutrition, weight loss, mental health and sleep. Planned day off for all staff – “Day for me”. | Cisco with Vida Health |
| Recruitment and selection | In the selection process, they choose people who show intellectual curiosity, creativity, and a passion for innovation. They value applicants’ problem-solving abilities more than criteria such as educational qualifications or work experience. | Google |
| | Applying gamification to the selection process. | Google, Formapost, U.K. Government Communications Headquarters |
| | Using Applicant tracking system (ATS). | 98.8% of Fortune 500 companies use ATS |
| Employee branding | Employees are encouraged to present innovations or how their year at the company went. | Boehringer Ingelheim |
| Performance appraisal and feedback | Maintain continuous feedback with their employees. | Google |
| | Listen to their employees, regardless of their rank in the company hierarchy. | Cisco |
| | Employees are encouraged to create their own goal in the form of postcard that is available in global online gallery. The senior manager also takes a stance on the target. | Boehringer Ingelheim |
| | Conduct an Employee Opinion Survey (EOS) annually. It’s a method that shows what employees think about their superiors as well as current situations by completing electronic surveys. | DHL |

Continued

| 1 | 2 | 3 |
|--|---|----------------|
| Onboarding including digital onboarding | The tech giant goes beyond the traditional welcome sessions, incorporating a mix of virtual and in-person experiences. | Google |
| | Organizing team building and social events. | Facebook |
| | Onboarding programs focus on blending technology with human connection. The company utilizes virtual reality (VR) to create immersive experiences for new hires. | IBM |
| | Emphasis on company values. | Apple, Netflix |
| | Encouragement collaboration and networking, fostering connections between new hires and seasoned professionals. | Cisco |
| Training and development | Implement continuous talent development programs. Focusing on personal growth, learning and development. Having an in-house e-learning academy where employees can access multiple online resources. Organize monthly leadership sharing sessions, which provide valuable insights and inspiration. | MCC Singapore |
| Data analysis | Based on data analysis, creating an algorithm for staff retention and predictive career modeling. | Google |
| | Analysis of data from online meetings. Analysis of questions and comments in chats. | Cisco |
| Social responsibility | Training adults on the autism spectrum with digital skills and securing full-time employment. Career Path for Employees with Autism. | Avanade |
| | Employees can take up to 7 days to seven days to participate in volunteer activities. Weekends to work in a soup kitchen, build a playground, or volunteer at a hospital. | CRM Salesforce |

Source: The table was prepared by the author based on secondary data analysis

The data in the table show that seeking feedback from employees is a common innovative practice in HR in world-famous companies. As a practice, it is well known, but the new thing is that it is now carried out using electronic surveys, and much more often, not once a year.

Moreover, employee feedback is not only related to the performance appraisal but to the opinion of employees about changes, and actions of management.

Another common innovative HR practice in world-famous companies is the application of gamification in the selection process.

The use of the Applicant Tracking System (ATS) is also a common innovative HR practice in world-famous companies.

Other common innovative HR practices in world-famous companies are well-being and social responsibility. There is an emphasis on employee well-being and motivating employees to participate in socially responsible activities.

Google stands out with a specific innovative HR practice related to career development. Based on data analysis, Google created an algorithm (PiLab) for staff retention and predictive career modeling.

Main conclusions and recommendations

Several main conclusions can be drawn based on the analysis.

In the first place. The innovative practices of world-famous companies are distinguished by a balanced approach between people and technology. Despite the application of software in HR activities, as well as the use of various platforms, the human is not an “appendage of the machine”. The opinion of employees is sought, they are provided with opportunities for training and development.

In the second place. Activities that were considered the priority of non-governmental organizations are now recognized as human resources activities. The analyzed examples of hiring employees with autism as well as encouraging volunteering are examples of the new socially responsible activities of HR.

In the third place. The analysis shows that there is a new model of working in HR. The EY company calls it People Value Chain (PVC) (Monte, 2021). This model has three components: Digital people teams; People consultants; Virtual global business services (VGBS). The digital team implements new technologies to support employees. People consultants work closely with senior executives to aid in talent management and development. Virtual global business services take care of administrative tasks and operational services (VGBS).

In the fourth place. The new model of HR work requires a change in syllabus and the use of innovative approaches in the training process of future HR specialists. “A change is needed in the syllabus and programs by which future human resources specialists are trained. Successful collaboration between educators, practitioners, and software developers in the field of human resources will be critical to the learning process.” (Peicheva, 2023, p. 101). In this regard, the signed memorandum of cooperation between UNWE and TechnoLogica is a good practice and a good example to follow. According to this memorandum, an Academy for Digital HR has been established at UNWE, where students will

study the specialized software HeRMeS, which is used by the largest organizations in Bulgaria. I think that it is a good practice, because "... higher education institutions are the guardians of traditions. At the same time, however, they are called to prepare the new generation for the new challenges of the economy and the demands of business." (Stoyanova, Anguelov, 2023, p. 262).

In the fifth place. With the development of specialized software, and online platforms, digital competencies will be sought in all teachers, in addition to their specific professional competencies. These include the use of specialized software, the use of artificial intelligence, chatbots, the creation of interactive educational content, and other competencies related to digital skills.

In sixth place. The results show that employers' aspiration is aimed at satisfying the needs of Generation "Z". This approach of employers is understandable, but it is good to think about the needs of other generations. For example, the glaring need to acquire and develop digital skills.

In the seventh place. Training the trainers. Maintaining the professional qualification of teachers who train HR specialists is above all a personal responsibility. A good practice is the provision of an individual annual budget for each teacher, provided by the employer. The teacher has the freedom to decide for himself what kind of training to choose, as well as what service provider to use.

In eighth place. The analysis of data related to human resources. "Data analysis has always been an important part of the design and evaluation of human resources activities." (Peicheva, 2021, p. 203). But, if in the not-so-distant past the analysis was reduced to an insignificant amount of data, in the present, as the research data also showed, big data analysis in the field of HR is becoming more and more relevant and significant.

Both working hypotheses are confirmed. The analyzed examples proved that innovations in HR activities changed the working model of HR as well as the content of HR activities.

The results of the analysis proved that innovative HR practices require new professional competencies of HR specialists, for which a restructuring of the existing syllabus and programs is necessary.

Conclusion

The results obtained in the present study can serve as an example of the implementation of good innovation practices in HR activity.

Along with this, the analyzed innovative practices can be used as examples in the training process of future HR specialists.

The results of the analysis clearly show that the time of operational HR has passed and its place has been taken by another model of organization of human

resources activity. The new HR model of work as, well as the researched innovation practices, shows how the redesign of the HR department should be carried out.

Among the topics that should find a place in future scientific research related to innovation practices in human resources activities is “Design thinking” (Atanasova, 2023).

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