

Impact of Digitalization on Work Culture & Employment

Dr. Vidhya Rajagopalan

Assistant Professor, Dr. Lankapalli Bullayya College, Visakhapatnam, Andhra Pradesh, India

ABSTRACT

Digitalisation is transforming business landscapes and the world of work, and redefining the boundaries of production, consumption and distribution. This has created tremendous opportunities, as new products, processes and techniques have emerged, but it has also created threats as new ways of employment pose new challenges to employers and employees. The overall consequences on labour markets are, however, still highly uncertain, which is reflected in the wide variation in the outcomes of the existing research. The initial government responses appear to be reactive rather than proactive, and targeted towards mitigating the side effects of digitalisation instead of aiming to reap its potential benefits.

This study focuses on the impact of digitalisation on work culture and employment. Traditional businesses and industries as well as new forms of work in the on-demand economy are assessed. For both, job creation and destruction, interaction with customers and employees, labour relations in terms of both the organization of work, government responses with a specific focus on labour conditions, taxation and social security are discussed.

KEYWORDS: digitalisation, workplace, autonomy, work life balance

INTRODUCTION

Digitalisation has become the buzz-word in recent years, encompassing a number of diverse but complementary technological developments. These developments make the so called “Fourth Industrial Revolution”. This new revolution of economy and work follows the changes initiated since the 1970s through the introduction of electronics and information technology, driving new levels of automation of complex tasks and processes (automation and robotisation) characterising the Third Industrial Revolution.

Business has to address collective thinking, attitude and behaviour, balance both hard and soft elements for moving to an outcome focussed and outside in digital organisation. We live in an information and knowledge economy, learning is an ongoing process, it has to become the digital lifestyle and develop it as healthy daily habit.

With the advent of digital technologies, plenty of our current daily realities are undergoing radical changes. Jobs and work dramatically evolve and may even disappear over time. It is not known if there will more or fewer jobs in the future. New concepts, such as

How to cite this paper: Dr. Vidhya Rajagopalan "Impact of Digitalization on Work Culture & Employment"

Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-6 | Issue-6, October 2022, pp.1143-1146, URL: www.ijtsrd.com/papers/ijtsrd52015.pdf



Copyright © 2022 by author (s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



pairing processing power with human ingenuity are slowly emerging.

How do these developments affect human work? Some forecasts predict a massive job loss, others expect an upgradation of the human’s role. However, fact is that the human contribution to a successful system performance is still qualitatively different from the contribution that technology can deliver. Human qualities such as expertise, motivation, flexibility and creativity cannot be found in the competencies of technology. Expertise, for example, is not just about knowing how to do something but also why you do. This can be crucial in ambiguous situations where the right course of action is unclear. Technology out performs the human regarding quantity and speed of information processing, but it does not understand what it does. Technology has neither motivation nor responsibility.

“Digitalisation is the manifold sociotechnical phenomena and processes of adopting and using digital technologies in broader individual, organizational and societal contexts. It is the process of converting information to be stored, processed and transmitted easily by using a network of computers.”

Understanding how digitalization is affecting and changing leadership practices in organisations is essential because today digitalisation is taking place in every sector of the economy at a fast pace. From manufacturing, financial services, customer service, health, agriculture, retail and logistics, all these sectors use big data, new technologies and solutions to drive their business forward to survive on the highly competitive market. This has a great impact not only in the economy and work system but also in the leadership management which involves thinking and acting. To support digital transformation, the company needs to shift from traditional hierarchical structure to a flexible, decentralized organization with a team/ project- oriented leadership to keep pace with the complex and fast changing environment and the increasing customer requirements. Further the generation change from the baby boomer to the digital natives (Generation Y & Z), which have unique characteristics and capabilities in comparison to the earlier generations will require new working structures and leadership.

WORK CULTURE

With the offices having shifted to homes of employees, the norms of working and productivity definitions have undergone a radical change overnight in most Indian organisations. This poses a new challenge for both employees and businesses as working from home is an unfamiliar phenomenon.

Working from home has led a big question for HR and business managers about how they are going to measure the productivity of 'unseen' employees and how to motivate the employees to deliver their designated responsibilities. While on the one hand, downsizing or use of robots are being touted as possibilities for certain jobs, currently most managers are concerned about how to continue to meet their commitments towards their customers and support employees to make this happen.

Necessity is the mother of invention and innovation. There are several apps being installed in the mobile phones and other devices which provide daily reports and analytics to their managers about the time spent by the employees on various tasks, responses to customers and thus compare real time productivity of the teams. Digital platforms like Google, Hangout, Microsoft Teams, Webex, are few examples which enable organisations to create collaborative work environment for meetings, discussions, thus continuing to maintain the human touch and create connectedness with the organisation.

The interesting fact is that few organisations who have never considered work from home as feasible are

rethinking the role definitions and the number of resources required to be deployed.

Many Companies in Europe and the US have been conditioned to work from home, as a result of which they had a robust cyber security system to access data and enable an environment outside of the firewall. Organisations who have been implementing cloud-based solutions for their key applications could swiftly shift operations to homes. However, many Indian firms which have been forced to implement work from home policy at short notice, have to strengthen their data storage and security systems. Employees need to be vigilant against potential phishing attacks, false emails or text messages from malicious actors posing as their boss seeking vital data.

Covid – 19 has sounded a wake -up call to businesses that have already been in the throes of digital transformation to consider further changes empowered by a combination of commonly available tools and some custom solutions. This has led to an urgency to understand and redefine the needs of the customers as well as learn to do more with less resulting in new opportunities for optimisation of costs and enhancing productivity in their operations.

As businesses try to rethink their paradigm and show resilience in their strategy, this is the time when employees have to be coached to recognise that success as defined in the past would no longer be relevant and they need to adapt to the new normal defining new metrics for success. Along with continuous communication and engagement facilitated digital technology, the effort should enable employees to act with more confidence, speed and resourcefulness in the current scenario. Digital tools have the potential to make the employees think and act together, thus co-evolving a new culture in the organisation.

Employment:

Even against the background of the latest technical developments, humans and technology continue to make very different contributions to the successful functioning of the system as a whole. This qualitative diversity of humans' technology must be taken into account when designing systems. Therefore, considering technology as a competitor of the human, suitable for replacing the human, falls short, rather humans and technology are complementary. It is the combination of human and technology that they are able to perform on a much higher level, which neither the human nor the technology alone is capable. A smart combination of humans and technology only emerges when technology is specifically designed to enhance human strengths such as motivation,

expertise or experience and to compensate for human weakness such as fatigue or the limited ability to process data.

In recent years the growth of the digital economy has eclipsed that of traditional markets

- Every business, irrespective of its core purpose, can join the digital economy
- Adoption of digitalisation is likely to be critical determinant of future growth
- Digitalisation throws up numerous legal issues, some new and some resolved.

The digitalisation of the economy or the fourth industrial revolution will have severe consequences for job creation/destruction. The broader application of ICT and new digital technologies such as data

analytics, artificial intelligence, 3D printing, cloud computing, the Internet of things and robots will cause change, eliminate existing jobs and create new activities and jobs. Besides automation, globalisation, economic developments and the changing preferences of consumers and procedures will also change labour demand and supply. New technology has an ambiguous effect on existing products and services. On one hand, it is likely to contribute to higher productivity which would mean that fewer workers would be required. On the other hand, increased productivity will most probably lead to lower prices hence more demand. Not all jobs can be automated. Uncertainty about the impact of automation on job creation is demonstrated in surveys by technology experts, such as Pew Research Centre. Many activities can be automated but the job does not disappear.



The digital economy is expanding globally at an exponential rate. Digitalisation of commerce is critical to improving efficiency and productivity and is the driver of innovation, competition and growth across all businesses and sectors. In our inaugural issue of Get Digital we provide a bird's eye view of key opportunities and challenges, from a legal perspective, in anticipation of deeper dives into specific areas in future issues, with recommendations for legal action in the face of the increasing reliance of businesses on technology.

In recent years the growth of the digital economy has eclipsed that of traditional markets across the globe. In the UK alone, businesses belonging to the digital economy have grown by 30% in the past five years and the digital sector has outperformed the traditional economy overall. ¹.

Digitalisation is enabled by a combination of:

- cheap ubiquitous connectivity;
- cheaper and smaller hardware (with computing power expanding in accordance with Moore's law);
- cloud based storage; and
- new technologies (such as virtual and enhanced reality, robots, AI, machine learning and blockchain).

These are the foundations and basic infrastructure of the digital economy. These can be deployed together with data analytics to increase efficiency and decrease costs when applied to internal business processes and, possibly more significantly, deployed together with new business models to create new revenue streams. The result has been a dramatic upturn in investment activity across all sectors (be it fintech, prop tech, Infratech, or any other kind of tech).

Reference

- [1] https://www.researchgate.net/publication/328027407_THE_IMPACT_OF_DIGITALISATION_ON_JOB_QUALITY_IN_EUROPEAN_PUBLIC_SERVICES_THE_CASE_OF_HOMECARE_AND_EMPLOYMENT_SERVICE_WORKERS
- [2] <https://www.financialexpress.com/industry/technology/work-from-home-digital-tools-are-helping-evolve-a-new-work-culture/1919601/>
- [3] <https://ibimapublishing.com/articles/JEURB/2018/340873/340873.pdf>
- [4] <https://www.lessonsatstartup.com/digitalization-of-indian-economy/>
- [5] HOW DIGITALIZATION CHANGES THE WORKPLACE

