# Human at the Center of the Organization:

## Visions, Realities, Challenges

edited by Marzena Stor

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# Preface

**The subject of interest in this monograph** is human at the center of the organization. This focus reflects changes in how the role of employees in contemporary organizations is perceived, as they face a unique challenge in balancing increasing demands for efficiency and innovation with the equally important need to understand and support employees.

Until recently, discussions in management science focused on whether employees in an organization should be viewed primarily as resources or as capital, and the implications of each perspective for managing them. The resource perspective traditionally viewed employees as costs to be minimized and controlled. However, over time, this view evolved as employees increasingly were recognized as valuable resources whose potential could be optimized for organizational benefit. On the other hand, the capital perspective sees employees as strategic investments that yield returns and add value, enhancing the organization's competitive edge. In this evolving context, concepts such as human resources management and human capital management have emerged, reflecting differing approaches to leveraging employee capabilities to achieve strategic objectives.

Today, however, there is a particular emphasis on the employee as a human being at the center of the organization, signaling a significant paradigm shift. Consequently, terms like people management or talent management are increasingly used, highlighting an individualized and diverse approach to employees. This evolution in terminology is not accidental. It represents a shift from a transactional to a relational approach, where the employee is not just seen as a rational economic agent but as an integral component of a dynamic organizational ecosystem, with their own skills, aspirations, well-being, and emotional, social, and spiritual needs.

In this context, several reasons can be identified for why humans should be at the center of the organization. First, employees are responsible for achieving organizational goals. Second, employees are sources of creativity and innovation. Third, employees serve as ambassadors for the organization's brand. This paradigm shift is not only a response to changes in the environment but also to key trends and phenomena affecting organizational management.

Digitization and automation are changing the nature of work and the competencies required from employees, which in turn affects organizational culture and requires new forms of management. With the transition from Industry 4.0 to Industry 5.0, there is a growing emphasis on human-centric approaches. Industry 5.0 focuses on collaboration between humans and machines, leveraging advanced technologies to enhance human creativity and well-being within the workplace. At the same time, the growing popularity of remote and hybrid work models, as well as increasing awareness of the importance of well-being and mental health of employees, are becoming increasingly crucial for organizational effectiveness.

Additionally, diversity and inclusion, as well as sustainable development and social responsibility, are increasingly recognized as key factors in attracting and retaining talent. Thus, a new paradigm in people management is emerging, based on the following assumptions:

- The employee is a human being, not just a resource or capital.
- The employee has their own value, dignity, and rights.
- The employee has their own goals, needs, and aspirations.
- The employee is a partner of the organization, not just a subordinate or beneficiary.
- The employee is a co-creator of value in the organization, not just a task performer.
- The employee is an active participant in organizational processes, not just an executor or recipient.
- The employee is a subject of professional and personal development, not just an object of training and performance appraisal.

Positioning humans at the center of the organization represents a trend in people management that responds to changing work and life conditions. It differs from previous trends by emphasizing a more humanistic and holistic approach to employees and building relationships based on dialogue, trust, respect, responsibility, and cooperation. In recent years, phenomena such as the Great Resignation, Quiet Quitting, Career Cushioning, and Loud Quitting have highlighted changes in employee attitudes and behaviors towards work and organizations. These phenomena underscore that placing humans at the center of the organization is no longer just an option but a necessity. In an era where technologies change rapidly and competitiveness is ephemeral, people with their properties become the most enduring and unique asset. Increasing their engagement, satisfaction, motivation, and loyalty translates into better work quality, higher productivity, and greater organizational innovation. In practice, this approach requires leaders and managers to create conditions that ensure the development and well-being of every organization member.

In this context, **the goal of this monograph** is to explore and analyze the paradigm shift in organizational management towards placing humans at the center. It seeks to offer insights into how contemporary organizations can balance the increasing demands for efficiency and innovation with the need to support and understand their employees integral and unique components of a dynamic organizational ecosystem. This includes examining the evolving perspectives of employees as resources or capital, the impact of digitization and automation, the importance of well-being, mental health, diversity, and inclusion, and the role of sustainable development and social responsibility in modern organizations.

To achieve this goal, various selected topics are discussed in the individual chapters. Chapter 1 examines how organizations address labor shortages and retention from a human--centric management perspective. Chapter 2 investigates the workplace factors that affect employee loyalty and performance within human-centric organizations. Chapter 3 explores the mechanisms and challenges of HRM knowledge transfer in multinational companies within a human-centric framework. Chapter 4 traces the evolution of people management practices

in Poland from Stalinist paradigms to modern human-centric management. Chapter 5 discusses how the Polish armed forces are adopting a human-centric management approach to enhance soldier engagement and satisfaction. Chapter 6 looks at strategies for managing knowledge worker turnover in small and medium-sized enterprises through human-centric management practices. Chapter 7 examines how to tailor HRM practices to meet the needs of Generation Z, focusing on mental health and employee development within a human-centric approach. Chapter 8 explores innovative HRM and sustainable leadership practices to embrace Generation Z's unique needs in the IT sector, highlighting the pillars of human-focused management. Chapter 9 presents conceptual E-HRM solutions for enhancing employee focus in human--centric organizations. Chapter 10 discusses the advancement of human-centric management through AI-enhanced recruitment and selection. Chapter 11 explores diverse personal definitions of career success in the Polish labor market within a human-centric management framework. Finally, Chapter 12 navigates generational dynamics in women's career development under a human-centric management approach.

In addressing these topics, this monograph delves into the visions, realities, and challenges of implementing a human-centric approach in contemporary organizations. It provides insights into both the theoretical, empirical, and practical aspects, highlighting the benefits and potential obstacles of this paradigm shift.

This monograph will be particularly useful and interesting for a diverse audience, including scholars, HRM professionals, organizational leaders, policymakers, and consultants. Academics and researchers will find the comprehensive theoretical frameworks and empirical evidence valuable for advancing the study of human-centric management practices. Additionally, it may serve as an inspiration for their own research, providing a foundation for exploring new dimensions and applications of human-centric management. HRM professionals and organizational leaders can gain practical insights into enhancing employee engagement, loyalty, and performance through innovative HRM strategies, as well as learn about the challenges and solutions in adapting to modern workforce dynamics. Policymakers and consultants will benefit from understanding the broader socio-economic impacts of human--centric approaches and how these can inform policy development and organizational consultancy. The book's detailed exploration of topics such as employee well-being, mental health, diversity and inclusion, and the integration of advanced technologies like AI in HRM makes it a crucial resource for anyone involved in shaping the future of work and organizational culture.

*Marzena Stor*

# Chapter 1

## HRM Responses to Labor Shortages and Organizational Employee Retention from a Human-centric Management Paradigm

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## 1.1. Introduction

The subject of interest in the first chapter of this monograph is the impact of external environmental factors contributing to labor shortages on the organizations' HRM response to both these shortages and the need to retain employees from the perspective of the human--centric management paradigm. Referring to the short discussion in the Preface, it can be said that the human-centric management paradigm emphasizes placing the individual at the

forefront of all organizational activities and strategies (Gallup, 2023, p. 4; Stor, 2023, pp. 96-97) significantly departing from traditional views of employees as merely resources or capital. This paradigm shift reflects a profound transformation towards recognizing employees as vital elements within an organization's ecosystem (Boon et al., 2018), each with unique competencies, aspirations, well-being, and emotional, social, and spiritual needs. Moving away from earlier models that prioritized minimizing costs and optimizing resource use or considered employees as investments for generating return and added value (Urbaniak, 2017), this new approach champions a personalized and differentiated management (Anders, 2021) and leadership styles (Haromszeki, 2023). Transitioning from a transactional to a relational mindset, it sees employees not merely as economic agents but as partners and co-creators of value, integral to the dynamic fabric of the organization. This perspective acknowledges employees' roles in achieving organizational goals, their contribution to creativity and innovation (Bos-Nehles et al., 2017), and their function as ambassadors of the organizational brand (Saini, 2023). By addressing contemporary challenges such as digitalization (Nguyen Ngoc et al., 2022), the shift towards remote and hybrid work models, the importance of diversity (Rakowska, 2021) and sustainability (Cooke et al., 2022), this paradigm highlights the necessity of supporting employees' professional and personal growth (*c.f.* Garavan et al., 2023), safeguarding their well-being (Białas et al., 2023), and cultivating a culture of inclusivity and accountability (Ayoko and Fujimoto, 2023).

Against this backdrop, many organizations struggle on one hand with a low supply of workers in certain job categories on the labor market (*Employment…*, 2023), and on the other hand, encounter problems related to encouraging their own employees to remain within the organization (*Retention Report*, 2023). There are many different external factors relative to organizations that shape this situation. Some of these factors may have greater or lesser significance for businesses (Stor, 2023c), but certainly, companies must undertake appropriate actions in the HRM area to both attract specific talents to the organization and ensure that those already employed remain (Stor, 2023a). It is difficult for organizations to function, and sometimes it is even impossible if they do not know what human resources they will have at their disposal in the near or distant future (Cooke et al., 2022), as this prevents them from creating business plans, achieving intended goals, or formulating organizational strategies (Parmar et al., 2022), not to mention acquiring and maintaining a competitive advantage in the market against competitors (Contreras-Cruz et al., 2023).

Hence, **the main goal of this chapter** is to identify, analyze, and diagnose the impact of external environmental factors contributing to labor shortages on HRM practices within organizations in the context of the emerging human-centric management paradigm. To achieve this goal, the following structure has been adopted for this part of the monograph. Initially, the fundamental theoretical assumptions of the phenomenon of interest will be presented. For this reason, attention will be focused on characterizing two main groups of variables, namely, factors shaping labor shortages and HRM practices that can be applied to attract suitable job candidates, despite the limited supply in the labor market, and to ensure that employees do not want to leave the organization. Subsequently, the methodics of the empirical research will be described. This includes outlining **the research problem**, which aims to determine the

relationships between the factors that shape labor shortages and the HRM practices. These practices constitute the organizations' responses to both these shortages and the necessity to retain employees, viewed from the perspective of the emerging human-centric management paradigm. Following this, the results of these studies and the fundamental conclusions based on them will be presented.

## 1.2.  The Theoretical Framework for the Variables Under Study

Within the scope of our study, the primary focus is on two fundamental groups of variables. The first group comprises external factors, which are generally beyond an organization's control yet significantly shape labor shortages. The second group covers HRM practices formulated in response.

In the realm of labor market dynamics, a comprehensive review of literature and findings from various studies illuminate the significance of certain external factors that directly influence labor shortages within organizations. Among these, the competitive draw of employees by rival firms emerges as a critical issue (Madgavkar et al., 2023). Organizations are not only vying with each other for the same pool of talent (Listwan, 2010) but are also grappling with the challenge of creating and maintaining work environments that can effectively retain this talent (Tu et al., 2023). This competition is further intensified by the prevalent issue of low wages (Gerbery and Miklošovič, 2023), which, when combined with the scarcity of skilled labor, creates a complex scenario for HR managers aiming to both attract and retain employees.

The scarcity of skilled labor, as highlighted in numerous studies, points to a mismatch between the skills available in the labor market (Employment..., 2023) and those required by organizations (Idrovo Carlier et al., 2019). This gap is often exacerbated by problems within the education system, which fails to equip individuals with the necessary skills for the evolving job market. Furthermore, the global trend of emigration, in search of better opportunities (*c.f.* Strzelec, 2022), further depletes the local labor pool (Liu-Farrer et al., 2023), intensifying the challenge of labor shortages.

External socio-economic events, notably the emergencies due to COVID-19 (Borucka et al., 2023) and the Russian-Ukrainian war (Pham et al., 2023), have also played a significant role in shaping the labor market landscape. These events have not only affected the immediate availability of labor but have also introduced long-term shifts in labor market dynamics, affecting both the supply and demand sides. For instance, the pandemic has accelerated the trend towards remote work, altering traditional work arrangements (Wells et al., 2023) and, in some cases, leading to new challenges in balancing work and private life for employees.

Additionally, the literature points to poor working conditions and transportation difficulties to the workplace as factors contributing to labor shortages (Deschacht and De Bruyne, 2020). These issues highlight the broader context in which labor shortages occur, encompassing not just the availability of talent but also the conditions under which work is performed. The difficulty in balancing work and private life emerges as a recurrent theme in the literature,

reflecting the growing importance of work-life balance in employee retention strategies (State of the Global Workplace, 2023).

Moving on to the second group of variables, we address HRM practices that have been identified through literature reviews as crucial in mitigating labor shortages and curtailing the departure of employees from organizations (c.f. Listwan and Sulkowski, 2016). This group encapsulates a variety of strategic initiatives designed to bolster employee motivation (Dawson et al., 2024) and engagement, foster loyalty, and enhance overall job satisfaction (Stor, 2024b).

The literature suggests that a well-thought-out compensation system, including competitive salaries and unique benefits like company cars, plays a crucial role in attracting and retaining talent (Bryant et al., 2013). These financial incentives, when coupled with long-term incentive programs, not only ensure that employees feel adequately rewarded for their efforts but also tie their success to the organization's long-term goals, promoting a sense of belonging and loyalty (Frankort and Avgoustaki, 2022).

Beyond financial incentives, the importance of employee development cannot be overstated. Career management programs, individual development plans, leadership talent development (Haromszeki, 2024) and the provision of dual training opportunities are highlighted as key factors in ensuring employees not only see a future within the company but also feel that their personal and professional growth is valued (Garavan et al., 2023). These practices signal to employees that the organization is invested in their long-term development, leading to increased job satisfaction and a lower propensity to leave.

Wellbeing initiatives and the application of flexible working hours address the evolving expectations of the workforce regarding work-life balance and mental health (Molek-Winiarska and Mikołajczyk, 2022). By recognizing the importance of employee wellbeing, organizations can create a supportive work environment that prioritizes the health and satisfaction of its workforce (Białas et al., 2023), thus becoming more attractive to both current and prospective employees.

Furthermore, the construction of a strong employer brand and the utilization of atypical forms of employment are strategies that extend beyond the immediate organizational context to influence the broader perception of the company in the labor market (Saini, 2023). A strong employer brand can attract high-quality candidates, while atypical employment arrangements offer flexibility (Eichhorst and Kalleberg, 2023) that can be particularly appealing in today's dynamic job market.

Lastly, measuring employee satisfaction and commitment (Stor, 2024b) through regular performance evaluation systems (Stor, 2023b) and organizing training sessions (Garavan et al., 2023) are critical for maintaining an ongoing dialogue between employees and management. These practices ensure that employee feedback is heard and acted upon, fostering a culture of continuous improvement and mutual respect.

These HRM practices, as derived from the literature (c.f. Stor, 2024a), embody a holistic approach to managing human resources in the face of labor shortages. By investing in comprehensive strategies that address both the financial and non-financial needs of employees, organizations can navigate the complexities of the current labor market more effectively, ensuring both the retention of valuable employees and the attraction of new talent.

## 1.3. The Methodics of the Conducted Empirical Research

The research presented in this chapter is part of a broader international research project titled *Research and Analysis of Employment Strategies in V4 Countries*, funded by the Scientific Grant Agency (VEGA), operating under the auspices of the Ministry of Education, Science, Research, and Sport of the Slovak Republic, in collaboration with the Slovak Academy of Sciences. The grant number for this project is VEGA 1/0688/21. This larger project encompasses several Central European countries (*c.f.* Poór et al., 2023a, 2023b) and this chapter presents findings made exclusively in Poland.

**The main research problem**, as mentioned in *Introduction*, was to determine the relationships between the factors shaping labor shortages and HRM practices that constitute the organizations' response to both these shortages and the need to retain employees from the perspective of the emerging human-centric management paradigm. To achieve this goal, **seven research questions** were formulated as follows:

1. What are the fundamental external environmental factors of organizations that contribute to labor shortages?
2. From the perspective of organizations, how are external environmental factors evaluated in terms of their significance in shaping labor shortages?
3. Are there any differences in this assessment due to the selected job categories?
4. What HRM activities do organizations take to both tackle labor shortages and retain employees?
5. How do organizations prioritize HRM practices in response to labor shortages and retain their employees?
6. How do external environmental factors affect HRM practices within organizations?
7. Do the above findings confirm the emergence of a human-centric management paradigm, and if so, to what extent?

Based on the literature review, 10 external environmental factors were identified as the most significant in shaping labor shortages. They are presented in Table 2. The respondents were asked to evaluate them on a 5-point scale, where 1 means not at all typical and 5 means very typical. At this point, it should also be clarified that these factors were evaluated across four job categories, namely, professionals with a higher education qualification, salespeople, administrative staff, and manual workers. Regarding the HRM practices that were evaluated by respondents for their orientation towards countering labor shortages on one hand, and retaining employees within the organization on the other, the literature review led to the identification of 13 such HRM practices, which are presented in Figure 1. Here, a 5-point scale was also used for evaluation, where 1 means the least important and 5 means the most important.

The empirical research included 120 organizations. The sample varied in ownership structure, sector of the economy, type of operation, size measured by the number of employees, and annual revenue in Euros. Detailed characteristics of the sample are provided in Table 1.

**Table 1.** The structure of a research sample of 120 organizations

| Category of Characteristics | Precise Characteristics | Number of organizations | Percentage of organizations |
|---|---|---|---|
| Type of economic activity | Agriculture | 4 | 3.33 |
| | Commerce | 21 | 17.50 |
| | Construction | 2 | 1.67 |
| | Education | 4 | 3.33 |
| | Energy | 3 | 2.50 |
| | Financial sector | 7 | 5.83 |
| | FMCG | 8 | 6.67 |
| | Information technology | 9 | 7.50 |
| | Logistics services | 6 | 5.00 |
| | Manufacturing | 19 | 15.83 |
| | Mining Industry | 2 | 1.67 |
| | Public administration | 4 | 3.33 |
| | Service | 24 | 20.00 |
| | Telecommunications | 5 | 4.17 |
| | Transport | 2 | 1.67 |
| Size by employees | above 1000 people | 26 | 21.67 |
| | 501-1000 people | 14 | 11.67 |
| | 251-500 people | 18 | 15.00 |
| | 101-250 people | 15 | 12.50 |
| | 51-100 people | 14 | 11.67 |
| | 10-50 people | 16 | 13.33 |
| | 1-9 people | 17 | 14.17 |
| Range of turnover in Euro | > 300.000.000 | 29 | 24.17 |
| | 30.000,001-300.000.000 | 24 | 20.00 |
| | 3.000.001-30.000.000 | 26 | 21.67 |
| | 300.001-3000.000 | 23 | 19.17 |
| | 30.001-300.000 | 13 | 10.83 |
| | < 30,000 | 5 | 4.17 |

Source: own empirical research.

The research was conducted in the fourth quarter of 2022 and employed the Computer--Aided Telephone Interviewing (CATI) method, using a structured questionnaire for data collection. The respondents were specialists or individuals in managerial positions well-versed in HRM and labor market issues, and in the case of the smallest enterprises, their owners.

Regarding the statistical analyses conducted, in addition to descriptive statistics, an Analysis of Variance (ANOVA) was also used to analyze the data. ANOVA was performed for

each of the ten factors across four different occupational categories. This statistical method assessed whether there were statistically significant differences in the organizations' evaluations of how much each factor contributed to labor shortages across the specified categories. Upon identifying statistically significant differences through the ANOVA, a Tukey's Honest Significant Difference (HSD) test was conducted as a post-hoc analysis. This step was essential to identify exactly between which occupational categories significant differences in the evaluations existed for each factor. The Tukey HSD test provides a detailed comparison between pairs of categories, clarifying which specific factors are assessed differently in their contribution to labor shortages by different types of organizations. Additionally, regression analysis was conducted to further explore the relationships between external factors and HRM practices. This analysis aimed to quantify the impact of each factor on specific HRM practices, providing insights into how changes in these external factors could influence organizational strategies for addressing labor shortages and retaining employees.

## 1.4. The Empirical Research Findings

An initial analysis of the collected empirical data was conducted based on the average ratings of 10 factors influencing labor shortages, as perceived by organizations across four job categories. The results, detailed in Table 2, showed distinct assessments of each factor's influence on labor shortages. However, to verify the statistical significance of these differences across job categories, an Analysis of Variance (ANOVA) was utilized, followed by a Tukey's HSD post-hoc analysis to identify precisely where the significant differences in organizational evaluations occurred.

The statistical analyses not only confirmed the statistical significance of the variations in ratings across job categories but also paved the way for a deeper exploration into the nature of these differences. This exploration reveals notable differences and similarities across job categories in terms of how external factors contribute to labor shortages. For instance, "Competitors drawing employees away" ($\bar{x}_{AC} = 3.58$) and "Too low wages" ($\bar{x}_{AC} = 3.39$) are significant concerns across all categories ($\bar{x}_{AC} = 3.58$), indicating common challenges in retaining talent due to competitive market conditions and compensation issues. These trends underscore the centrality of human factors in organizational strategy, as firms must address these human-centric concerns to retain and attract talent effectively.

However, the impact of factors like "Emergency due to Covid 19" (respectively: $\bar{x}_P = 1.82$; $\bar{x}_S = 3.46$; $\bar{x}_A = 1.39$; $\bar{x}_M = 1.86$) and "Emergency due to Russian-Ukrainian war" (respectively: $\bar{x}_P = 1.29$; $\bar{x}_S = 2.00$; $\bar{x}_A = 1.00$; $\bar{x}_M = 2.20$) varies, suggesting that some job categories may be more vulnerable to external socio-economic events than others. This variation further reflects the importance of a human-centered approach, tailoring strategies to the unique needs of each job category in the face of global challenges.

As for the factors rated lowest across all job categories, indicating less impact on labor shortages, they include "Problems with the education system" ($\bar{x}_{AC} = 1.06$), "Poor working

conditions" ($\bar{x}_{AC} = 1.00$), and "Transportation difficulties in accessing workplace" ($\bar{x}_{AC} = 1.00$). The lower impact ratings of these factors suggest a secondary influence on labor shortages, yet they still play a role in the holistic view of human-centric organizational challenges. These low mean values suggest that while these factors are recognized, they are not perceived as the primary contributors to labor shortages across the surveyed organizations. This insight directs attention to more significant factors, guiding strategic priorities in addressing labor shortages.

**Table 2.** The mean values of ratings of factors contributing to labor shortages by job category

| External factor | Job categories | | | | All categories $(\bar{x}_{AC})$ |
|---|---|---|---|---|---|
| | Professionals $(\bar{x}_P)$ | Salespeople $(\bar{x}_S)$ | Admin staff $(\bar{x}_A)$ | Manual workers $(\bar{x}_M)$ | |
| Competitors drawing employees away | 4.15 | 4.28 | 2.47 | 3.42 | 3.58 |
| Too low wages | 3.76 | 4.03 | 2.47 | 3.30 | 3.39 |
| Lack of skilled labor | 3.44 | 3.00 | 1.00 | 2.00 | 2.36 |
| Emigration abroad | 1.49 | 1.00 | 1.00 | 1.08 | 1.14 |
| Problems with the education system | 1.19 | 1.00 | 1.00 | 1.06 | 1.06 |
| Poor working conditions | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Emergency due to COVID-19 | 1.82 | 3.46 | 1.39 | 1.86 | 2.13 |
| Emergency due to Russian-Ukrainian war | 1.29 | 2.00 | 1.00 | 2.20 | 1.62 |
| Transportation difficulties in accessing workplace | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Difficulties in balancing work and private life | 1.15 | 2.60 | 1.00 | 1.26 | 1.50 |

Note:

Scale: from 1 to 5, where 1 means not at all typical and 5 means very typical.

Source: own empirical research.

Figure 1 displays the ranking of HRM practices that organizations apply to address both labor shortages and the retention of employees within the organization. This ranking was compiled based on the mean values from evaluations made by the organizations studied. It illustrates a prioritization among HRM practices, with performance evaluation systems ($\bar{x} = 4.94$) and organizing training sessions ($\bar{x} = 4.89$) at the forefront, indicating a significant emphasis on performance management and skill development as key strategies to tackle labor shortages and boost retention. These practices, by focusing on the individual's achievements and growth, inherently place the human at the center of organizational strategies, fostering a culture where employees feel valued and integral to the company's success.

The focus on reforming compensation systems ($\bar{x} = 4.68$) further reflects the importance of financial rewards in retaining talent. Interestingly, more tangible benefits such as long-term incentive programs ($\bar{x} = 3.54$) and company cars ($\bar{x} = 3.50$) are ranked lower, suggesting a shift towards valuing intrinsic motivators and professional growth over extrinsic rewards. This shift

emphasizes a more human-centric approach, where the emphasis is on creating meaningful work and development opportunities rather than just financial incentives. This data underscores a broader trend in HRM towards creating a supportive work environment that promotes employee engagement and job satisfaction, highlighting the organization's commitment to prioritizing the individual's well-being and development within its strategic planning framework. Recognizing these elements as crucial for retaining a skilled and motivated workforce in the face of labor market challenges reiterates the importance of human-centric values in the contemporary workplace.



Note:
Scale: from 1 to 5, where 1 means the least important and 5 means the most important.
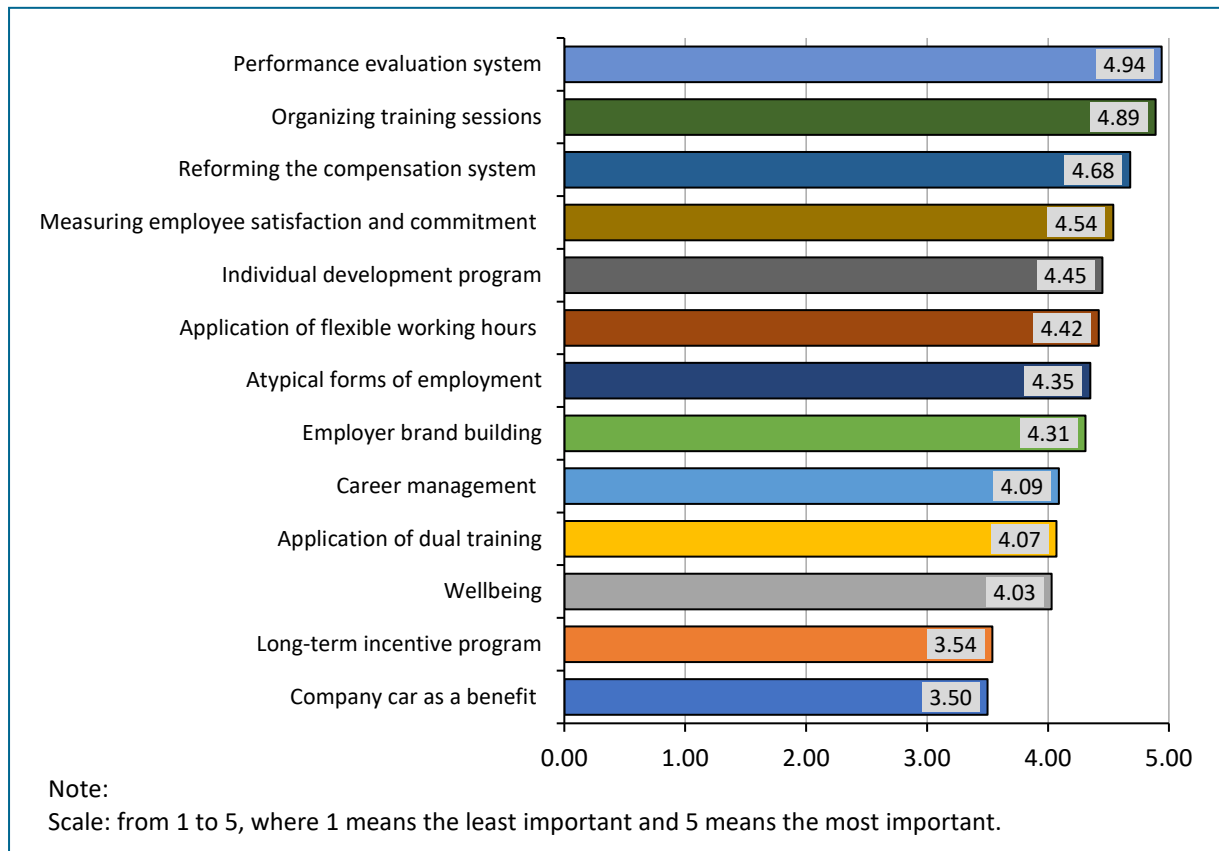
**Figure 1.** The ranking of HRM practices organizations apply to address labor shortages and retain employees by mean evaluation values

Source: own empirical research.

The gathered empirical data was also subjected to a more advanced statistical analysis, i.e. regression analysis. This analysis, detailed in Table 3, offers a comprehensive look at the impact of external factors on HRM practices within organizations, quantifying their influence through coefficients (β) and significance levels. This analysis is focused on pinpointing which external pressures have a measurable impact on specific HRM initiatives, allowing for targeted interventions by quantifying the strength of these impacts through the β coefficient. This

coefficient the change in the dependent variable (HRM practice) for every one-unit increase in the independent variable (external factor), holding all other variables constant. In simpler terms, if the β coefficient for an external factor is positive, it indicates that as the external factor increases by one unit, the HRM practice is expected to increase by the β coefficient's value. Conversely, if the β coefficient is negative, it suggests that an increase in the external factor by one unit will result in a decrease in the HRM practice by the β coefficient's value. This interpretation allows organizations to understand the magnitude and direction of the impact that specific external factors have on their HRM practices.

Table 3 also includes the "baseline levels" or "Intercepts" which refer to the expected value of the dependent variable (in this case, each HRM practice) when all the independent variables (external factors) are set to zero. Essentially, it represents the starting point or base level of the HRM practice before considering the impact of any external factors. It provides a point of reference to understand how each significant external factor shifts the HRM practice away from this baseline. A positive coefficient β for a significant predictor indicates that the HRM practice increases above the baseline as the factor increases, while a negative coefficient indicates a decrease below this baseline.

At this point, it's worth clarifying that Table 3 does not include all external factors alongside each HRM practice due to the statistical significance and impact of each factor on the specific HRM practice. Factors that do not show a statistically significant relationship or do not contribute meaningful variance to the model for a particular HRM practice are omitted from the final model. This focused approach allows for identifying which specific external pressures are most impactful for each HRM practice, enabling targeted strategies for addressing labor shortages and enhancing HRM effectiveness.

Regarding the outcomes of the regression analysis, the significant impact of external competitive pressures, particularly the influence of "Competitors drawing employees away," is a critical finding. This factor is a significant predictor for multiple HRM practices, including "Reforming the compensation system" (β = 0.308), "Long-term incentive program" (β = 0.555), and "Employer brand building" (β = 0.421). The strategic adjustments made in response to this pressure clearly illustrate the central role of human considerations in organizational strategy, demonstrating a proactive approach to retaining and attracting talent in a competitive market.

Moreover, the influence of work conditions and socio-economic challenges on HRM practices is highlighted by factors such as "Poor working conditions" (β =−0.1875 for "Performance evaluation system") and "Too low wages" (β =−0.7811 for "Company car as a benefit"). These findings underscore the importance of addressing human-centric issues, emphasizing that improving work conditions and offering fair compensation are essential for employee satisfaction and commitment, further reinforcing the human-centric approach of organizations. Furthermore, "Competitors drawing employees away" (β = 0.805) and "Poor working conditions" (β =−0.725) appear to be critical, showing that competitive pressures and work conditions significantly affect well-being initiatives. This underscores the importance of creating a positive work environment as a countermeasure to external competitive threats.

**Table 3.** Detailed regression analysis results for HRM practices and external factors

| HRM Practice | Adjusted $R^2$ | Significant Predictor | Coefficient β | P-value |
|---|---|---|---|---|
| Reforming the compensation system | 0.042 | Intercept (const) | 4.305 | <0.001 |
| | | Competitors drawing employees away | 0.308 | 0.031 |
| Long-term incentive program | 0.051 | Intercept (const) | 3.122 | <0.001 |
| | | Competitors drawing employees away | 0.555 | 0.044 |
| Performance evaluation system | 0.165 | Intercept (const) | 4.2894 | <0.001 |
| | | Poor working conditions | -0.1875 | 0.026 |
| | | Difficulties in balancing work and private life | 0.1564 | 0.023 |
| Company Car as a Benefit | 0.165 | Intercept (const) | 3.0768 | <0.001 |
| | | Too low wages | -0.7811 | 0.031 |
| | | Lack of skilled labor | 0.7415 | 0.038 |
| | | Difficulties in balancing work and private life | -0.4982 | 0.045 |
| Measuring employee satisfaction and commitment | 0.264 | Intercept (const) | 3.791 | <0.001 |
| | | Competitors drawing employees away | 0.430 | 0.002 |
| | | Poor working conditions | -0.367 | 0.014 |
| | | Emergency due to Russian-Ukrainian war | 0.194 | 0.029 |
| Application of flexible working hours | 0.078 | Intercept (const) | 4.391 | <0.001 |
| | | Too low wages | -0.562 | 0.039 |
| | | Difficulties in balancing work and private life | 0.493 | 0.009 |
| Atypical forms of employment | 0.026 | Intercept (const) | 4.377 | <0.001 |
| Wellbeing | 0.265 | Intercept (const) | 2.566 | <0.001 |
| | | Competitors drawing employees away | 0.805 | <0.001 |
| | | Poor working conditions | -0.725 | 0.002 |
| | | Emergency due to Russian-Ukrainian war | 0.371 | 0.008 |
| Career management | 0.352 | Intercept (const) | 2.426 | <0.001 |
| | | Competitors drawing employees away | 0.679 | <0.001 |
| | | Poor working conditions | -0.623 | 0.002 |
| | | Emergency due to Russian-Ukrainian war | 0.251 | 0.036 |
| Application of dual training | 0.154 | Intercept (const) | 3.641 | <0.001 |
| | | Competitors drawing employees away | 0.486 | 0.029 |
| | | Poor working conditions | -0.546 | 0.025 |
| Individual development program | 0.189 | Intercept (const) | 3.008 | <0.001 |
| | | Poor working conditions | -0.458 | 0.015 |
| Employer brand building | 0.173 | Intercept (const) | 3.361 | <0.001 |
| | | Competitors drawing employees away | 0.421 | 0.011 |
| | | Emigration abroad | -0.556 | 0.003 |
| | | Problems with the education system | 0.486 | 0.011 |
| Organizing training sessions | 0.173 | Intercept (const) | 4.163 | <0.001 |
| | | Competitors drawing employees away | 0.256 | 0.001 |

Source: own empirical research.

The strategic responses of organizations to the "Emergency due to Russian-Ukrainian war" affecting HRM practices like "Measuring employee satisfaction and commitment" ($\beta = 0.194$) and "Wellbeing" ($\beta = 0.371$) demonstrate the adaptability of HR strategies to external shocks, prioritizing employee wellbeing and showcasing the importance of humans in the resilience and adaptability of organizational strategies.

The significant predictors related to career management strategies, particularly "Competitors drawing employees away" ($\beta = 0.679$) and the impact of the "Emergency due to Russian-Ukrainian crisis" ($\beta = 0.251$), highlight the dynamic nature of career management in addressing both ongoing competitive pressures and acute external crises. This suggests that career management is a key area where the human-centric approach is vital for navigating complex market challenges and crises.

The role of flexible working hours as a strategy to enhance work-life balance and compensate for lower wages, indicated by significant predictors like "Too low wages" ($\beta = -0.562$) and "Difficulties in balancing work and private life" ($\beta = 0.493$), further illustrates the organization's commitment to addressing the socio-economic challenges and satisfaction of employees, placing human considerations at the center of organizational strategies.

Lastly, the emphasis on improving work conditions for the effectiveness of individual development programs, as suggested by "Poor working conditions" ($\beta = -0.458$) being a significant negative predictor, reinforces the interconnectedness between employee development, workplace quality, and the overarching theme that human-centric values are paramount in shaping organizational strategies. In this context, the key predictors of performance evaluation system include "Poor working conditions" ($\beta = -0.1875$) and "Difficulties in balancing work and private life" ($\beta = 0.1564$), suggesting that the quality of the work environment and work-life balance are crucial considerations in assessing employee performance. These factors highlight the necessity to adapt evaluation criteria to reflect broader employee well-being and satisfaction.

Furthermore, the variance in adjusted $R^2$ values across different HRM practices suggests that the influence of external factors is not uniform across all areas of HRM. This indicates a need for a nuanced and strategic approach to HRM, where HR professionals must tailor their strategies to address the specific human-centric challenges and opportunities presented by the external environment.

These detailed findings from the regression analysis not only highlight the direct impact of external factors on HRM practices but also solidify the argument that human-centric considerations are at the core of effective organizational strategies. The proactive adaptation to competitive pressures, the strategic emphasis on employee wellbeing, development, and satisfaction, and the resilience in the face of external shocks all underscore the central role of humans in achieving organizational success.

## 1.5.  Summary and Final Conclusions

In this final section, we revisit **the main goal of the chapter** which was to identify, analyze, and diagnose the impact of external environmental factors contributing to labor shortages on HRM practices within organizations in the context of the emerging human-centric management paradigm. Reflecting on the findings presented in this article, it can be asserted that this goal has been successfully achieved. The thorough examination of both the external factors influencing labor shortages and the HRM responses has provided a comprehensive understanding of the intricate dynamics at play. This achievement is further underscored by the resolution of **the research problem** stated at the outset, which sought to determine the relationships between these external factors and HRM practices. The empirical evidence gathered and analyzed offers a clear depiction of how organizations navigate these challenges, underpinning the effectiveness of adopting a human-centric management approach.

The essential conclusions drawn from this study, in alignment with the research questions, underscore the significant role of external environmental factors, such as competitive pressures and socio-economic challenges, in shaping labor shortages and influencing HRM practices. The strategic responses of organizations, highlighted by the adaptation of HRM practices such as reforming compensation systems, applying flexible working hours, and emphasizing employee development and well-being, illustrate a strong alignment with the human-centric management paradigm. These practices not only address the immediate challenges of labor shortages but also contribute to creating a work environment that fosters employee satisfaction, commitment, and retention.

In light of the above, it is essential to address the seventh research question, which asks if the findings confirm the emergence of a human-centric management paradigm. The evidence strongly supports this shift. The adoption of HRM strategies that prioritize employee well--being, development, and engagement as fundamental in addressing labor shortages and retention challenges is a testament to the evolving organizational ethos. This paradigm, which places the individual at the core of organizational strategies and practices, is not just emerging but is increasingly recognized as a fundamental approach to managing human resources in today's dynamic and challenging labor market.

The transition to a human-centric management paradigm is evidenced by the strategic emphasis on human factors, such as creating meaningful work, supporting personal and professional growth, and ensuring a positive work-life balance. These strategies reflect a significant departure from traditional, transactional approaches to HRM, signifying a broader recognition of the value of human capital in achieving organizational success and sustainability. The extent to which this paradigm has taken hold is demonstrated through the comprehensive and strategic adjustments organizations are making in response to both internal and external pressures, aligning HRM practices with the principles of individual value, respect, and development.

In conclusion, the exploration of HRM responses to labor shortages and organizational employee retention through the lens of a human-centric management paradigm has not only

affirmed the effectiveness of this approach but also highlighted its growing prominence in contemporary organizational strategies. This shift towards prioritizing the human element in management practices represents a crucial evolution in addressing the complex challenges of the modern labor market, emphasizing the importance of fostering environments where employees feel valued, supported, and integral to the organizational mission.

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# Chapter 2

## Workplace-related Factors Influencing Employee Loyalty and Job Performance in Human-centric Organizations

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## 2.1. Introduction

Employee loyalty to the organization is a complex construct that can be shaped by many different variables (Antoncic and Antoncic, 2011; Dutta and Dhir, 2021). However, in times when the human-centric management paradigm is emphasized, as previously outlined in the Preface and the preceding chapter (Gallup, 2023, p. 4; Stor, 2023, pp. 96-97), this loyalty takes on special significance, particularly with connection to employee job performance (Ateeq et al., 2023; Guillon and Cezanne, 2014; Rahimpour et al., 2020).

Understanding the intricate nature of employee loyalty and its heightened importance within a human-centric management framework provides a solid foundation for delving

deeper into how organizations can effectively cultivate such loyalty. This emphasis on human-centricity heralds a shift in perspective, suggesting that the dynamics of employee loyalty and job performance are not merely outcomes of individual predispositions but are significantly influenced by the organizational environment and its alignment with human-centric principles.

The exploration of workplace-related factors in this context becomes crucial, offering insights into how a supportive and engaging work environment can enhance employee loyalty and, by extension, job performance. This approach aligns with the growing recognition that employee well-being and organizational success are not mutually exclusive but are, in fact, deeply interconnected (Białas et al., 2023; Molek-Winiarska and Mikołajczyk, 2022). By focusing on the human aspects of the workplace, organizations can unlock the full potential of their workforce, fostering a culture of loyalty and high performance that is responsive to the challenges and opportunities of the contemporary business landscape (Haromszeki, 2023; Stor, 2023a).

Hence, **the main goal of this chapter** is to identify, analyze, and diagnose the impact of the selected workplace-related factors on employee loyalty to their organizations and then, in consequence, the effect of this loyalty on their job performance, in the context of the emerging human-centric management paradigm. To accomplish this goal, the subsequent structure has been established for this part of the monograph. Initially, the basic theoretical principles of the phenomenon under investigation will be outlined. For this reason, attention will be focused on identifying those work-related factors that, based on the literature review, are expected to have a positive effect on employee loyalty to the organization. Additionally, the expected relation between employee loyalty to the organization and employee job performance will be mentioned. Next, the methodics of the empirical research will be described. This includes formulating **the research problem**, which is to determine the relationships between the selected workplace-related factors and employee loyalty to their organizations and employee job performance from the perspective of the emerging human-centric management paradigm. Subsequently, the outcomes of these studies and the key conclusions drawn from them will be presented.

## 2.2. The Theoretical Framework for the Variables under Study

Understanding the impact of work-related factors on employee loyalty necessitates a comprehensive exploration, rooted in academic research. As we delve into the nuances of how various aspects of employment influence loyalty, it's clear that these elements collectively contribute to shaping an employee's commitment to their organization (Brachle and Waples, 2023; Caliskan et al., 2024; Huaman-Ramirez and Lahlouh, 2023).

Recognition and professional esteem stand out as foundational for fostering loyalty. Employees who perceive their achievements and contributions as valued by the organization tend to exhibit higher levels of engagement (Davis et al., 2024) and loyalty (Alhajaj and

Ahmad, 2023; Hollingshead and Wohl, 2024; Sun, 2019). This sense of appreciation can be manifested through various means, including direct acknowledgment, awards, and commendations from leadership (Haromszeki, 2024; Minei et al., 2018; Russ-Eft and Alizadeh, 2024). Such actions demonstrate to employees that their work matters, significantly boosting their commitment to the organization.

Work-life balance is another crucial factor influencing loyalty (Pradhan et al., 2016). Organizations that offer flexible work arrangements and prioritize employees' personal time not only support their staff in managing life outside work but also convey a message that the employee's overall well-being is important. This approach leads to greater loyalty as employees feel respected and valued beyond their professional contributions (Albrecht et al., 2024).

The emphasis on health and safety, particularly in the context of recent global challenges, has become increasingly significant. Implementing strict health protocols and ensuring a safe work environment are ways organizations can show they care about their employees' health. This concern for well-being directly translates into increased loyalty from employees who feel protected and valued (Hollingshead and Wohl, 2024).

Fair compensation and comprehensive benefits are essential for attracting and retaining talent. More than just a tool for recruitment, these factors play a crucial role in building loyalty. Employees who feel fairly compensated and supported through meaningful benefits packages are more likely to develop a deep sense of loyalty to their organization (Eversole et al., 2012).

To fully grasp the spectrum of work-related factors affecting employee loyalty, it's essential to delve into the specifics of compensation details, an aspect not deeply explored previously. This includes performance bonuses (De Waal and Jansen, 2013), travel allowances (Bücker et al., 2020), and employee stock ownership plans (Poutsma et al., 2017; Weltmann et al., 2015). These elements extend beyond basic salary and benefits, offering insights into the nuanced ways financial incentives and rewards can foster a sense of appreciation and belonging among employees.

Performance bonuses reflect the organization's acknowledgment of individual contributions to its success, directly rewarding exceptional performance and thereby enhancing loyalty (De Waal and Jansen, 2013). Travel allowances recognize the effort and time employees dedicate to commuting or business travel, easing the associated burdens and contributing to job satisfaction (Bücker et al., 2020). Employee stock ownership plans align employees' interests with the long-term success of the organization, offering a tangible stake in its growth and prosperity. This sense of ownership encourages deeper engagement and loyalty as employees see their efforts contributing directly to the company's success (Poutsma et al., 2017; Weltmann et al., 2015).

Exploring further into the workplace environment and the amenities provided, certain specifics such as catering facilities and the physical workspace's contribution to making employees feel proud play a significant role in fostering employee loyalty. A well-designed and comfortable workspace not only enhances productivity but also instills a sense of pride among employees. Facilities that are aesthetically pleasing and functional contribute to a positive

daily work experience, making employees more enthusiastic about coming to work and identifying with their organization (Gao et al., 2022; Nappi et al., 2020).

Similarly, catering facilities that offer healthy and diverse food options reflect the organization's care for employee well-being and satisfaction (Candido et al., 2020). These amenities, often overlooked, can significantly impact employees' perceptions of their workplace, contributing to a broader sense of belonging and loyalty. The availability of such facilities within the work environment demonstrates an organization's commitment to catering to the holistic needs of its employees, beyond just the work they perform.

Integrating attention to detail in the design of the physical workspace and providing quality catering facilities underscores an organization's dedication to creating a supportive and engaging work environment. This approach aligns with the broader human-centric management principles, where the well-being and satisfaction of employees are central to organizational success (Baykal Uluoz and Inalhan, 2024).

Opportunities for professional development signal to employees that the organization is invested in their future. Access to training and clear paths for career advancement not only encourage employees to grow within the company but also foster a sense of belonging and loyalty as they see themselves as integral parts of the organization's long-term vision (Garavan et al., 2023; Haromszeki, 2024).

The workplace environment and amenities significantly affect the daily experience of employees. A positive and supportive physical environment, complemented by amenities that meet employees' needs, contributes to a constructive organizational culture (Haromszeki and Listwan, 2019). Such an environment enhances loyalty by making employees feel valued and supported (Awwad et al., 2023).

Lastly, supportive leadership is crucial for nurturing loyalty. Leaders who are accessible, supportive, and engage in open communication with their staff build trust and respect. Practices that include regular feedback and involve employees in decision-making processes strengthen employees' sense of value and loyalty to the organization (Haromszeki, 2014; Saleem et al., 2023; Tremblay et al., 2019).

Through a thorough understanding of these factors, organizations can create a work environment that not only attracts but retains a loyal and engaged workforce. This detailed approach highlights the complexity of employee loyalty, revealing it as a multifaceted outcome influenced by various work-related aspects (Antoncic and Antoncic, 2011).

The nexus between employee loyalty to a company and job performance represents a critical area of organizational dynamics, highlighting how deep-rooted commitment can significantly enhance work outcomes. This causal relationship underscores that employees with a strong sense of loyalty towards their organization invariably see this reflected in their job performance through various positive mechanisms (Stor, 2023b, 2023c).

Loyalty cultivates an environment where employees are motivated not solely by external rewards but by a deeper connection to the organization's mission and values. This intrinsic motivation leads to discretionary effort, with employees willingly exceeding their job requirements, thereby contributing to innovation, efficiency, and overall superior performance. Their commitment encourages them to seek out creative solutions, proactively address challenges, and foster a culture of continuous improvement (Contreras-Cruz et al., 2023).

Moreover, loyal employees often adopt a long-term perspective regarding their role within the organization, aligning their personal goals with those of the company. This alignment results in a higher quality of work, meticulous attention to detail, and a proactive stance towards tasks that, although not immediately rewarding, are crucial for the organization's prolonged success. The spirit of collaboration among loyal employees further enhances knowledge sharing, boosting team performance and driving collective achievements (Sang et al., 2019).

A significant byproduct of high employee loyalty is reduced turnover, which directly benefits organizational performance. Lower turnover rates ensure continuity, preserving institutional knowledge and enabling smoother team dynamics—elements crucial for sustaining high performance levels across the organization. Additionally, a loyal workforce elevates the organization's external reputation, attracting top talent and potentially new clients through positive endorsements, further reinforcing a high-performance organizational culture (Alhajaj and Ahmad, 2023).

In essence, the multifaceted positive impact of employee loyalty on job performance underscores the importance of fostering a work environment that cultivates loyalty. This is not solely for the inherent value of a committed workforce but for the tangible performance enhancements it brings to the organization. Cultivating a loyal workforce thus emerges as a strategic imperative for organizations aiming to boost their overall performance and secure a competitive advantage, highlighting loyalty as a cornerstone of organizational success and sustainability (Stor, 2024).

In summarizing the exploration into the theoretical framework of the variables under study, it becomes evident that the factors influencing employee loyalty are integral to enhancing job performance within human-centric organizations. This comprehensive analysis reveals that loyalty is not a standalone attribute but is intricately linked to a myriad of work-related factors, each contributing to the development of a deeply committed and high-performing workforce. From recognition and professional esteem to the physical workspace and leadership support, every aspect plays a vital role in nurturing an environment where loyalty and performance flourish in tandem.

## 2.3. The Methodics of the Conducted Empirical Research

The research presented in this chapter, operating under the auspices of the Ministry of Education, Science, Research, and Sport of the Slovak Republic and in collaboration with the Slovak Academy of Sciences, is part of a more comprehensive international research project funded by the Scientific Grant Agency (VEGA) titled Research and Analysis of Employment Strategies in V4 Countries. The grant number for this project is VEGA 1/0688/21, therefore, it is the same project referred to in the previous part of the monograph. As said there, this broader project encompasses several Central European countries (*c.f.* Poór et al., 2023a, Poór et al., 2023b), however, here only the findings from Poland are presented.

**Table 4.** The structure of a research sample of 300 individuals

| Category of Characteristics | Precise Characteristics | Number of employees | Percentage of total |
|---|---|---|---|
| Job category | Manual worker | 79 | 26.33 |
| | Professional | 118 | 39.33 |
| | Junior manager | 25 | 8.33 |
| | Middle manager | 38 | 12.67 |
| | Senior manager | 11 | 13.33 |
| Age range | 18-29 years | 67 | 22.33 |
| | 30-39 years | 71 | 23.67 |
| | 40-59 years | 85 | 28.33 |
| | above 60 years | 77 | 25.67 |
| Level of education | Primary/elementary school | 2 | 0.67 |
| | Trade school/vocational qualification | 57 | 19.00 |
| | High school | 83 | 27.67 |
| | Post-secondary vocational | 27 | 9.00 |
| | Bachelor's degree | 34 | 11.33 |
| | Master's degree | 86 | 28.67 |
| | Ph.D. or above | 11 | 3.67 |
| Distance from the workplace | IIn the same municipality, within 25 km of the workplace | 224 | 74.67 |
| | In the same municipality, more than 25 km from the workplace | 15 | 5.00 |
| | In another municipality, within 25 km of the workplace | 23 | 7.67 |
| | In another municipality, more than 25 km from the workplace | 38 | 12.67 |
| | In another municipality, more than 50 km from the workplace | 0 | 0.00 |
| | In another municipality, more than 100 km from the workplace | 0 | 0.00 |
| Income | Well below average | 24 | 8.00 |
| | Below average | 71 | 23.67 |
| | Average | 137 | 45.67 |
| | Above average | 48 | 16.00 |
| | Well above average | 20 | 6.67 |
| Years of work experience | Less than 5 years | 43 | 14.33 |
| | At least 5 but less than 10 years | 42 | 14.00 |
| | At least 10 but less than 20 years | 51 | 17.00 |
| | At least 20 but less than 30 years | 49 | 16.33 |
| | At least 30 but less than 40 years | 68 | 22.67 |
| | At least 40 years | 47 | 15.67 |

Source: own empirical research.

**The main research problem**, as mentioned in Introduction, was to determine the relationships between the selected workplace-related factors and employee loyalty to their organizations and employee job performance from the perspective of the emerging human--centric management paradigm. To achieve this goal, **eight research questions** were formulated as follows:

1. What are the basic workplace-related factors that influence employee loyalty to their organizations?
2. What is the significance of these factors in terms of their ability to predict employees' loyalty to the organization?
3. Is it possible to group these factors into specific categories of influencers? If so, what are those categories?
4. Can different segments of employees be distinguished based on their valuation of selected workplace-related factors affecting their loyalty?
5. Does an employee's loyalty to the organization affect their job performance? What is the strength of this influence?
6. What do the above findings indicate about employee expectations towards a concept in which the human is at the center of the organization?
7. What is the significance of these findings for organizations that want to place humans at their core?
8. What do these findings mean for a human-centric management paradigm?

Based on the literature review, 25 workplace-related factors that influence employee loyalty were identified as the most significant in the human centric era. They are presented in Table 6. The respondents rated them on a 10-point scale, where 1 meant major shortcomings and 10 no shortcomings. Regarding the other two key variables, they were also assessed on 10-point scales. In the case of employee loyalty to the organization, 1 indicated no loyalty at all, and 10 indicated full loyalty. As for employee job performance, 1 signified complete underperformance, and 10 represented the best effort to perform well. At this point, it should also be clarified that these variables were evaluated across five job categories, namely, manual workers, professionals, junior managers, middle managers, and senior managers.

In the empirical study, 300 individual respondents participated. The research sample was diverse in terms of the respondents' age, their level of education, years of professional experience, the type of work they performed, income from that work, and the distance between their workplace and place of residence. Detailed data regarding the characteristics of the research sample are included in Table 4. The research was conducted in the fourth quarter of 2022 and employed the Computer-Aided Telephone Interviewing (CATI) method, using a structured questionnaire for data collection.

Regarding the statistical analyses conducted, in addition to descriptive statistics, some more advanced developments were used. In order to investigate the factors influencing employee loyalty to their organization, a linear regression analysis was conducted. The analysis revealed a nuanced picture of how different aspects of the work environment contribute to

employee loyalty. However, the model's overall fit, as indicated by the $R^2$ value, suggested limitations in explaining the variability of loyalty solely based on these factors. This outcome highlighted the complex and multifaceted nature of employee loyalty, suggesting that linear relationships might not fully capture the dynamics at play. Consequently, while the linear regression provided valuable preliminary insights, further analysis using more sophisticated models and methods was deemed necessary to fully understand the drivers of employee loyalty. This is why the Random Forest analysis was conducted to investigate the complex and multifaceted nature of employee loyalty to their organization. Traditional linear models, while providing initial insights, often fall short in capturing the nonlinear relationships and interactions between various workplace-related factors and employee loyalty. The Random Forest model, known for its robustness and ability to handle such complexities, was therefore chosen to provide a deeper understanding of the myriad factors that influence loyalty.

## 2.4. The Empirical Research Findings

The Random Forest Analysis resulted in a ranked list of workplace-related factors based on their importance in predicting employee loyalty, as presented in Table 5. This table reveals a spectrum of factors, from those with the most significant impact on loyalty to those with the least. A detailed analysis of the data contained in this table leads to the identification of three distinct categories of influencers:

- **Primary Influencers** – include professional esteem and recognition, aspects of work-life balance such as schedule predictability and keeping weekends free, and health and safety measures, particularly those aimed at preventing infection, standing out as the key elements driving loyalty.
- **Intermediate Influencers** – cover compensation-related aspects, opportunities for career advancement, and workplace amenities, including adequate catering and travel allowances, all recognized for their moderate impact on promoting loyalty.
- **Secondary Influencers** – comprise commuting conditions, compliance with mandatory safety regulations, and the availability of employee stock ownership plans. Though still significant, these are identified as having a lesser influence on employee loyalty, as indicated by the analysis.

These results underscore the complexity of employee loyalty, highlighting the importance of a broad spectrum of factors. Recognition and esteem, alongside practical considerations related to work-life balance and health, play crucial roles, but even seemingly less critical factors contribute to the overall picture of what drives loyalty within an organization.

Following the detailed insights gained from the Random Forest Analysis, which effectively identified and ranked a spectrum of factors influencing employee loyalty, further investigation into the nuances of these relationships was deemed necessary. To complement the Random Forest Analysis and delve deeper into the patterns of employee loyalty, a segmentation analysis

using K-means clustering was conducted. This analysis aimed to segment the employee population into distinct groups, each characterized by unique preferences and perceptions regarding their workplace. By identifying these clusters, the goal was to uncover more granular insights into how different segments of employees value the various factors affecting loyalty, thereby enabling more targeted and effective strategies to enhance employee engagement and loyalty across the organization.

**Table 5.** Random forest analysis of factors influencing employee loyalty

| Rank | Variable | Feature Importance |
|---|---|---|
| 1. | Professional esteem, recognition | 0.082 |
| 2. | Schedule leaving weekends, holidays and nights free | 0.061 |
| 3. | Predictable schedule, limitations of working overtime | 0.051 |
| 4. | Health measures for preventing infection | 0.051 |
| 5. | Regular training opportunities | 0.049 |
| 6. | Flexible working hours | 0.045 |
| 7. | Competent leaders | 0.043 |
| 8. | Long-term career opportunities | 0.042 |
| 9. | Appropriate sanitary and dressing facilities | 0.041 |
| 10. | A workplace that makes me proud | 0.040 |
| 11. | Larger, more versatile and flexible compensation framework | 0.038 |
| 12. | International work experience/network building | 0.037 |
| 13. | Possibility of teleworking | 0.036 |
| 14. | Travel and accommodation allowances | 0.036 |
| 15. | Challenging, creative work | 0.035 |
| 16. | Higher wages | 0.035 |
| 17. | A higher position in the short term | 0.035 |
| 18. | Good atmosphere at work | 0.034 |
| 19. | Weather-independent working environment | 0.034 |
| 20. | Shorter periods of paying wages | 0.031 |
| 21. | Providing adequate catering | 0.031 |
| 22. | Programs organized for employees and family members | 0.029 |
| 23. | Better accessibility, shorter commuting to work | 0.028 |
| 24. | A workplace that compliance with mandatory safety and health regulations | 0.028 |
| 25. | Employee stock ownership/employee share ownership | 0.028 |
| *Note: feature importance values are rounded to three decimal places.* | | |

Source: own empirical research.

The segmentation analysis using K-means clustering resulted in four distinct clusters, each representing a group of employees with unique characteristics and preferences regarding their workplace and factors influencing their loyalty. The summary of this segmentation is presented in Table 6, which provides the average ratings for each of the 25 factors for every cluster, illustrating what most significantly influences loyalty within each of these groups.

**Table 6.** Summary of employee segmentation analysis using k-means clustering

| Factor | Average Rating | | | |
|---|---|---|---|---|
| | Cluster 1. Satisfied Achievers | Cluster 2. Moderate Enthusiasts | Cluster 3. Balanced Evaluators | Cluster 4. Critical Viewers |
| Flexible working hours | 8.19 | 7.26 | 6.97 | 4.53 |
| Better accessibility, shorter commuting to work | 8.13 | 7.68 | 7.21 | 4.43 |
| Predictable schedule, limitations of working overtime | 8.65 | 7.37 | 6.82 | 4.11 |
| Possibility of teleworking | 8.06 | 4.83 | 6.58 | 3.49 |
| Schedule leaving weekends, holidays, and nights free | 9.22 | 7.65 | 7.10 | 4.55 |
| Higher wages | 6.81 | 3.46 | 6.21 | 4.19 |
| Larger, more versatile and flexible compensation framework | 7.63 | 4.68 | 6.09 | 3.96 |
| Travel and accommodation allowances | 9.15 | 4.05 | 7.62 | 4.40 |
| Employee stock ownership/employee share ownership | 8.22 | 3.81 | 6.70 | 4.04 |
| Shorter periods of paying wages | 8.50 | 5.95 | 6.95 | 4.68 |
| Long-term career opportunities | 7.96 | 4.94 | 7.18 | 4.42 |
| Professional esteem, recognition | 9.28 | 7.44 | 6.82 | 4.79 |
| Regular training opportunities | 8.67 | 5.50 | 6.55 | 4.74 |
| A higher position in the short term | 8.59 | 4.68 | 6.48 | 4.47 |
| Challenging, creative work | 9.06 | 6.27 | 6.76 | 5.00 |
| International work experience/network building | 8.43 | 5.27 | 6.22 | 4.70 |
| Good atmosphere at work | 9.50 | 7.76 | 6.64 | 4.25 |
| Competent leaders | 9.41 | 6.05 | 6.45 | 4.00 |
| A workplace that makes me proud | 9.37 | 6.46 | 6.15 | 4.36 |
| Programs organized for employees and family members | 9.04 | 4.53 | 5.93 | 3.92 |
| Compliance with mandatory safety and health regulations | 9.61 | 7.28 | 6.57 | 4.43 |
| Weather-independent working environment | 9.74 | 8.09 | 6.70 | 5.28 |
| Appropriate sanitary and dressing facilities | 9.70 | 7.33 | 6.41 | 3.98 |
| Health measures for preventing infection | 9.39 | 7.35 | 6.54 | 4.30 |
| Providing adequate catering | 8.67 | 5.35 | 6.17 | 5.06 |
| **Loyalty to current organization** | **9.11** | **7.96** | **7.70** | **7.02** |
| Note: Scale: from 1 to 10, where 1 indicates major shortcomings and 10 no shortcomings. | | | | |

Source: own empirical research.

Here's a brief overview of each cluster based on the mean values of the features:

- **Cluster 1 – Satisfied Achievers**. This cluster is characterized by exceptionally high ratings across all categories, suggesting a generally very high level of satisfaction and loyalty ($\bar{x} = 9.11$) among its members. Particularly high ratings for a good atmosphere at work, professional esteem and recognition, and compliance with mandatory safety and health regulations indicate what employees in this cluster value the most.

- **Cluster 2 – Moderate Enthusiasts**. This cluster is characterized by relatively high, above--average loyalty ($\bar{x} = 7.96$) and stands out with high ratings for flexible working hours, a good atmosphere at work, and a weather-independent working environment. Lower ratings concerning wages and compensation systems suggest areas where the organization could focus to further improve loyalty in this group.

- **Cluster 3 – Balanced Evaluators**. This luster features fairly high loyalty ($\bar{x} = 7.70$), slightly below Cluster 0, and relatively high ratings in many categories, with notable travel and accommodation allowances and long-term career opportunities standing out. This suggests that employees in this cluster value both the material aspects of work and development opportunities.

- **Cluster 4 – Critical Viewers**. This cluster generally features lower ratings in most factors, indicating a more critical stance toward the work environment and lower loyalty toward the organization ($\bar{x} = 7.02$). Lower ratings for aspects such as the possibility of teleworking, flexible working hours, and adherence to mandatory safety and health regulations highlight areas that may require attention to improve satisfaction and loyalty among employees in this group.

Figure 2 shows the distribution of records across the four clusters that were identified through K-means clustering. It provides a count of how many records (or employees) fall into each of the four clusters. The largest cluster is Balanced Evaluators (Cluster 3) with 115 employees and the next largest is Moderate Enthusiasts (Cluster 2) with 78 employees. The Satisfied Achievers (Cluster 1) and Critical Viewers (Cluster 4) are relatively smaller, with 54 and 53 employees respectively. This distribution underscores the diversity of perspectives within the organizations.

Regarding the evaluation of job performance in their current position by the surveyed employees, it is presented in Table 7 alongside the assessment of employee loyalty to the organization. The data suggests a generally high level of loyalty across all job categories, with notable peaks in loyalty among Manual Workers and Senior Managers, which may reflect the different ways these roles engage with the organization. The job performance ratings show a relatively tight range across all categories, indicating consistent performance levels among employees, with Middle Managers slightly leading, suggesting effective leadership might correlate with enhanced performance.
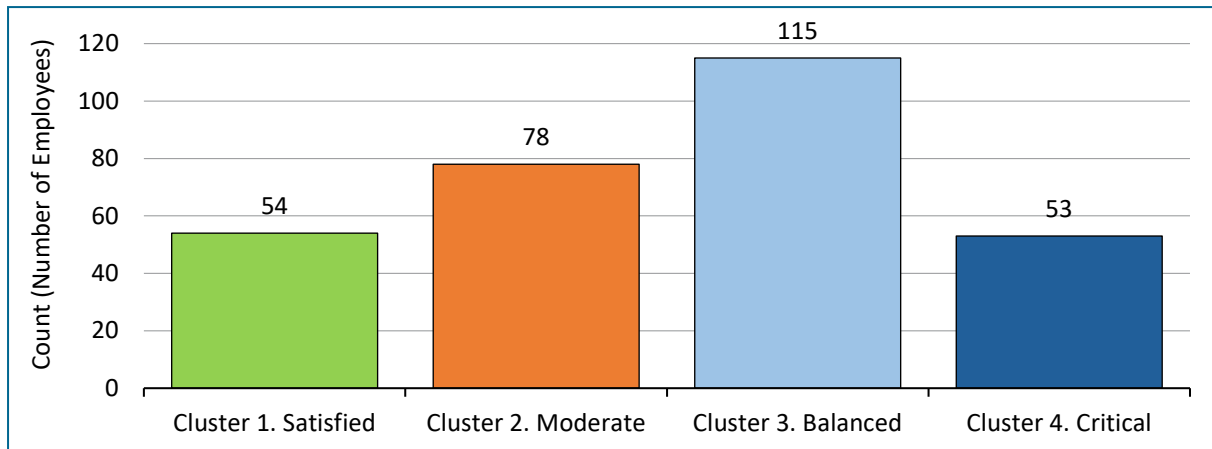
**Figure 2.** Distribution of records in each cluster of employees

Source: own empirical research.

**Table 7.** The mean values of employee job performance and loyalty to the organization by job categories

| Job category | Mean value of job performance | Mean value of loyalty to organization |
|---|---|---|
| Manual Worker | 7.58 | 8.22 |
| Professional | 7.68 | 7.79 |
| Junior Manager | 6.80 | 7.12 |
| Middle Manager | 7.82 | 7.87 |
| Senior Manager | 7.60 | 8.15 |
| Note:<br>Scale for job performance from 1 to 10, where 1 means complete underperformance, and 10 the best effort to perform well.<br>Scale for loyalty to organization from 1 to 10, where 1 means no loyalty al all, and 10 full loyalty. | | |

Source: own empirical research.

**Table 8.** Summary of regression analysis on the impact of employee loyalty on job performance

| Term | Coefficient-β | Standard Error | t-value | P-value | 95% Confidence Interval |
|---|---|---|---|---|---|
| Intercept | 2.184 | 0.331 | 6.591 | < 0.0001 | (1.532, 2.836) |
| Loyalty to current organization | 0.684 | 0.040 | 17.045 | < 0.0001 | (0.605, 0.762) |

Source: own empirical research.

In this study, we also sought to examine the impact of employee loyalty to the current organization on their performance in the current job. To determine the existence of such an influence, we conducted a linear regression analysis, which allowed us to quantify the relationship between these two critical variables. The results of this analysis are comprehensively presented in Table 8. It reveals that the β value for loyalty to the current organization is 0.684, indicating

a positive effect of loyalty on job performance. Specifically, this suggests that for each one-point increase in loyalty, there is an associated 0.684-point increase in job performance.

These findings demonstrate that employee loyalty positively impacts their performance at work, underscoring loyalty as a significant predictor of job performance within the organizational context. In turn, an employee's loyalty to the organization can be shaped by workplace-related variables previously discussed in this chapter. It would be beneficial to conduct a more in-depth causal analysis of all these variables using structural equation modeling, which would be suitable for further scientific exploration worthy of consideration in the future.

## 2.5. Summary and Final Conclusions

The **main goal of this chapter**, as articulated at its outset, was to identify, analyze, and diagnose the impact of selected workplace-related factors on employee loyalty to their organizations and then, in consequence, the effect of this loyalty on their job performance, in the context of the emerging human-centric management paradigm. In light of the findings and discussions presented herein, this objective can be considered thoroughly met. Through a detailed exploration grounded in both theoretical frameworks and empirical research, we've illuminated how various workplace-related factors significantly contribute to shaping employee loyalty, which in turn, positively impacts job performance.

Furthermore, addressing **the research problem** – to determine the relationships between the selected workplace-related factors and employee loyalty to their organizations and employee job performance from the perspective of the emerging human-centric management paradigm – has been pivotal in achieving the chapter's goal. By meticulously unpacking the dynamics between workplace conditions and their influence on loyalty and performance, we have provided actionable insights that align with the principles of human-centric management.

The investigation into various factors – ranging from professional esteem and work-life balance to health and safety measures, alongside compensation and benefits – reveals a complex interplay that profoundly affects employee loyalty. This, in turn, influences their performance, aligning seamlessly with the objectives outlined at this chapter's commencement. The exploration was comprehensive, delving into how each factor, whether directly related to job tasks or the broader organizational culture and policies, contributes to fostering an environment where employees feel valued, supported, and engaged.

Moreover, this chapter has successfully unraveled the nuanced relationships proposed in the research problem. It illustrates that employee loyalty is not merely a byproduct of satisfactory work conditions but a critical component of the human-centric management paradigm, which advocates for a holistic approach to organizational success. By integrating findings related to the eight research questions, we've provided a detailed roadmap for organizations striving to enhance loyalty and job performance through human-centric practices.

In doing so, the chapter has illuminated the importance of a tailored approach to managing workplace factors. It's clear that one size does not fit all when it comes to fostering loyalty and enhancing performance. Different employee segments value distinct aspects of

their work environment and benefits, necessitating a nuanced and flexible approach to organizational management.

The profound impact of loyalty on job performance, established through empirical evidence, reaffirms the necessity of adopting human-centric management principles. These principles not only improve the immediate work environment but also contribute to a sustainable organizational culture that values and nurtures its workforce.

In conclusion, by methodically addressing the research problem and exploring the associated research questions, this chapter contributes significantly to the discourse on human-centric management. It underscores the pivotal role of workplace-related factors in cultivating employee loyalty and demonstrates the consequential benefits to job performance. This synthesis of theory and empirical evidence offers valuable insights for organizations aiming to thrive in the contemporary business landscape, where employee well-being and organizational success are inextricably linked.

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# Chapter 3

## HRM Knowledge Transfer in Multinational Companies from the Perspective of Human-centric Management Paradigm

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## 3.1. Introduction

In the previous chapters of this monograph, the focus, within the context of the emerging new human-centric management paradigm, was on one hand on the impact of external environmental factors contributing to labor shortages on HRM practices within organizations (Chapter 1), and on the other hand on the impact of HRM-related factors on employees' work performance and their loyalty to organizations (Chapter 2). All this creates a good context for further deliberations in this chapter regarding HRM knowledge transfer in multinational companies (MNCs). The specific emphasis on MNCs, as opposed to domestic organizations, is due to the unique challenges and opportunities they face in managing a diverse global workforce (Dowling et al., 2023; Listwan and Stor, 2008). MNCs operate across various cultural, legal, and economic environments (Edwards and Rees, 2017), which necessitates a nuanced approach to HRM that can accommodate local differences (Listwan et al., 2009) while maintaining global coherence (Tarique et al., 2022). This complexity makes MNCs a particularly rich subject for studying the dynamics of HRM knowledge transfer, as they must navigate the balance between global standardization and local adaptation in their HRM practices (Stor, 2023a).

MNCs engage in knowledge transfer across various domains, including technology, marketing strategies, operational processes, and research and development (R&D), to maintain

global competitiveness and innovation (Castro and Moreira, 2023). These areas are crucial for the successful execution of corporate strategies, enhancing product development, and entering new markets. Despite the critical nature of these areas, the significance of knowledge transfer within HRM outshines them due to its central role in harnessing the most vital asset of any organization: its people (Minbaeva et al., 2014). It is people who not only constitute the existence of any organization but also determine its success, as they carry out all activities related to its operation. This fundamental understanding underscores why HRM is inherently significant. HRM is pivotal in attracting and retaining talents (Stor, 2023c), shaping the organizational culture (Polo et al., 2018), leadership styles (Haromszeki, 2023), managerial competencies (Domaradzka, 2020a) and employee engagement practices (Stor, 2024), ensuring that the workforce is aligned with the company's strategic objectives. By fostering a unified corporate culture and enhancing employee performance and satisfaction (Katebi et al., 2022), effective HRM practices are indispensable for sustaining a competitive edge in the global marketplace (Stor, 2023a). Thus, despite the importance of other knowledge transfer areas, the focus on HRM is paramount for embedding a cohesive and adaptive organizational structure that supports strategic agility and leverages the full potential of human capital across diverse geographical locations.

Knowledge transfer in HRM between headquarters (HQs) and foreign subsidiaries of MNCs in the context of an emerging human-centric management paradigm may cover a variety of aspects. These can include innovative recruitment and selection practices (Potočnik et al., 2021), tailored training and development programs (Garavan et al., 2023), performance management systems (Stor, 2023b), diversity and inclusion initiatives (Ciuk et al., 2022), and strategies for enhancing employee well-being (Molek-Winiarska and Mikołajczyk, 2022) and engagement (Stor, 2024). The human-centric management paradigm places the individual at the core of organizational practices, emphasizing the importance of creating a supportive, inclusive, and empowering work environment that values employee contributions and fosters personal growth. This paradigm shift necessitates a reevaluation of HRM practices to ensure they are aligned with principles that prioritize employee satisfaction, mental health, and overall well-being as key drivers of productivity and organizational success. Therefore, knowledge transfer in this context involves not only the sharing of policies and practices but also the underlying cultural values and attitudes that promote a people-first approach, emphasizing empathy, respect, and open communication across all levels of the organization.

The shift to a human-centric management paradigm distinguishes the current practice of HRM knowledge transfer from previous approaches by focusing more on the qualitative aspects of work life, such as employee happiness (Farooq et al., 2024), job satisfaction, and workplace culture (Celbis et al., 2023) rather than solely on quantitative metrics like productivity and efficiency. Previously, HRM knowledge transfer might have emphasized standardizing practices for efficiency, control, and risk mitigation (*c.f* Minbaeva, 2005), often overlooking the unique cultural and social dynamics of each subsidiary. Now, the emphasis is on tailoring HRM practices to fit the local context while aligning with the global corporate culture (Minbaeva et al., 2014), fostering a more inclusive and diverse organizational environment

(Fitzsimmons et al., 2023). This approach recognizes the value of local knowledge and employee perspectives, encouraging innovation and adaptability by embracing different cultural insights and practices. By putting the human at the center of the organization, MNCs aim to create more resilient, agile, and responsive HRM practices that not only adhere to global standards but also respect and leverage local nuances and employee well-being, ultimately contributing to a more sustainable and harmonious global operation.

In the above context, **the main goal of this chapter** is to determine what knowledge transfer within HRM between HQs and foreign subsidiaries of MNCs means from the perspective of the human-centric management paradigm, as well as to identify the related conditions. Hence, the discussions undertaken will cover the key mechanisms of HRM knowledge transfer between HQs and foreign subsidiaries, the unique challenges and opportunities presented by cross-cultural knowledge sharing within these entities, and the significant impact of adopting a human-centric management approach on the strategies and effectiveness of HRM knowledge transfer across the global landscape of MNCs. Additionally, the chapter will conclude with a summary and key conclusions derived from the discussion, providing insights and implications for HRM practices in MNCs.

## 3.2. Mechanisms of HRM Knowledge Transfer in MNCs

When addressing the mechanisms of HRM knowledge transfer in MNCs, it's essential to explore the diverse approaches employed to navigate the complexities of global operations (Domaradzka, 2020b). This exploration includes both formal and informal mechanisms, with a special focus on digital platforms, training programs, expatriate assignments, and interpersonal networks. These methods are fundamental in aligning HRM practices across various cultural, legal, and economic contexts, ensuring that knowledge sharing enhances global coherence while respecting local nuances (Dowling et al., 2023). Through this multifaceted approach, MNCs can maintain a balance between global standardization and local adaptation, which is crucial for the successful implementation of human-centric HRM strategies across their international subsidiaries.

The adoption of sophisticated digital platforms plays a crucial role in facilitating HRM knowledge transfer across MNCs (Bissola and Imperatori, 2020). For instance, Siemens AG, a global leader in electronics and electrical engineering, implemented the "Siemens Global Learning Campus" as a global HR information system. This platform integrates data from all its subsidiaries, providing a unified platform for HR management practices (see Figure 3). It enables the real-time sharing and updating of HR policies, training materials, and best practices, ensuring consistency while allowing for localization. Through the platform's forums and chatrooms, Siemens employees across different regions can exchange ideas, fostering a global community of practice that enhances HR knowledge sharing (Rosen, 2019). This approach not only streamlines HR processes across Siemens' worldwide operations but also supports the company's commitment to continuous learning and employee development.
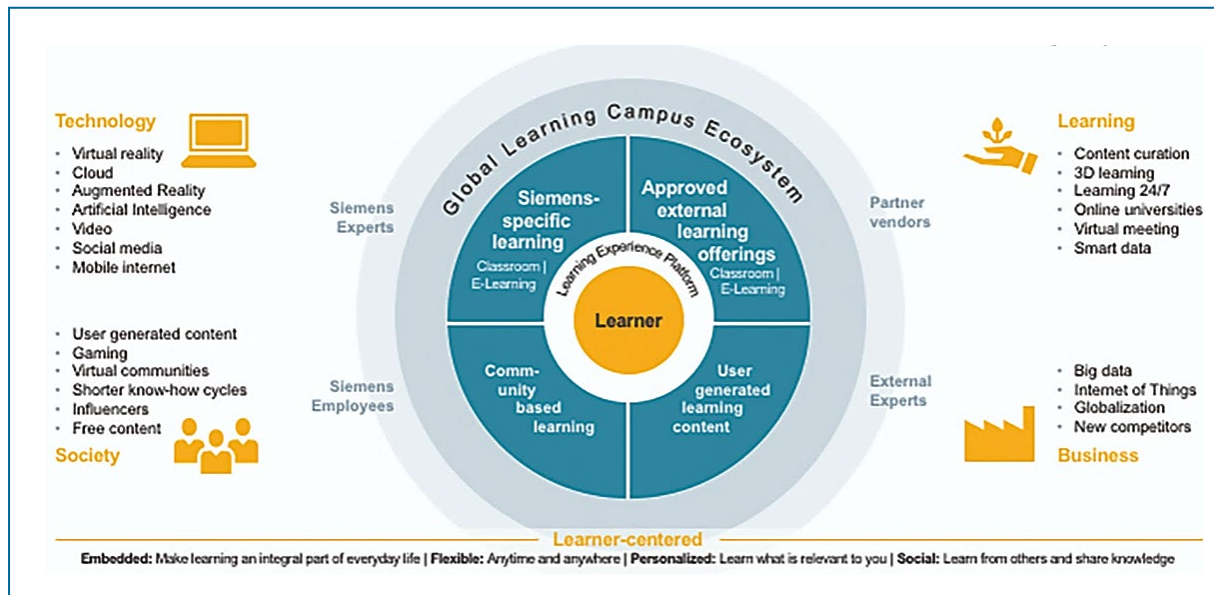
**Figure 3.** Siemens Global Learning Campus

Source: (Rosen, 2019, s. 27).

Digital platforms serve as a crucial tool for HRM knowledge transfer, enabling real-time sharing of HR policies, training materials, and best practices across geographically dispersed units. Through intranets, specialized HR software, and corporate social networks, MNCs can foster a sense of unity and shared learning among their global workforce. These platforms not only facilitate the dissemination of standardized procedures but also allow for feedback and adaptation based on local needs and experiences. Furthermore, training programs, both in-person and online, are another critical mechanism. They offer structured environments for transferring knowledge directly from HQs to foreign subsidiaries (da Silva et al., 2022). Such programs can be tailored to address the specific requirements of different locales while ensuring that the overarching principles of the company's HRM approach are communicated effectively. Workshops, seminars, and webinars provide opportunities for interactive learning and the exchange of ideas among employees from various parts of the world.

Expatriate assignments have proven to be effective in bridging knowledge gaps between HQs and foreign subsidiaries (Duvivier et al., 2019). A notable example of this practice is Shell, a global energy and petrochemical company with operations in over 70 countries. Shell has developed a structured expatriate program where experienced HR managers and professionals from the HQs are stationed in foreign subsidiaries for periods ranging from six months to two years. These expatriates play a dual role: they are tasked with transferring Shell's HRM best practices and strategies to the local context and, conversely, bringing back valuable insights into local HRM challenges and innovations to the HQ. This two-way knowledge transfer is a cornerstone of Shell's global HR strategy, enriching the company's understanding and practices in HRM across its worldwide operations. Through such initiatives, Shell ensures that its global

workforce management remains agile, culturally sensitive, and aligned with both corporate objectives and local needs (Kunz, 2023). Thus, it can be said that expatriate assignments play a unique role in the transfer of HRM knowledge (*c.f.* Strzelec, 2022). By sending experienced managers and HR professionals from the HQs to foreign subsidiaries (and vice versa), MNCs facilitate a hands-on approach to knowledge sharing (Ismail, 2015). Expatriates can directly implement HR practices from the HQ, adapt them to fit the local context, and bring back insights to the parent company, enriching the global HRM strategy with diverse perspectives.

Lastly, inter-unit communication networks, such as cross-border project teams and joint task forces, enable the flow of HRM knowledge across units (Prihadyanti et al., 2022). These networks encourage collaboration and knowledge exchange among employees from different countries, fostering a culture of learning and innovation (Domaradzka, 2021). Through regular meetings, shared projects, and collaborative platforms, team members can discuss HR challenges, share solutions, and develop new approaches that are informed by a wide range of experiences.

Together, these mechanisms ensure that HRM knowledge transfer in MNCs is dynamic, responsive, and inclusive, supporting the development of a cohesive yet flexible global HR strategy that aligns with the human-centric management paradigm. By leveraging these varied channels, MNCs can navigate the complexities of global HRM, ensuring that their practices not only meet global standards but also resonate with local cultural and operational realities.

## 3.3. The Challenges and Opportunities in Cross-cultural HRM Knowledge Sharing

Navigating the landscape of cross-cultural HRM knowledge sharing presents both challenges and opportunities for MNCs. The complexities inherent in transferring HRM knowledge across diverse cultural contexts are shaped by the interaction between varying cultural norms and practices (Tarique et al., 2022). This interaction is particularly evident in the exchange between HQs and foreign subsidiaries, significantly influencing the effectiveness of knowledge sharing, posing potential obstacles but also providing unique opportunities for enrichment and innovation in HRM practices (Castro and Moreira, 2023). The ability of MNCs to effectively manage these dynamics is crucial for leveraging the full potential of their global workforce.

One of the primary challenges in cross-cultural HRM knowledge sharing is overcoming cultural barriers that can hinder communication and mutual understanding. These barriers are often more pronounced when HRM practices are shared between HQs and foreign subsidiaries, due to differing values, beliefs, and business etiquettes, which can lead to misinterpretations and resistance to new practices (Edwards and Rees, 2017). To address these challenges, MNCs increasingly rely on cultural competency training and the development of cross-cultural teams (Dowling et al., 2023). Such strategies aim to build empathy and understanding among employees, fostering an environment where diverse perspectives are valued and leveraged for collective growth.

Existing research demonstrates that cultural distance as an external variable and the significance of HRM to the subsidiary's performance results as an internal variable can interact with each other in influencing various configurational bundles of HRM subfunctions, their centralization practices, and knowledge flows between HQs and local subsidiaries of MNCs (Stor, 2021). Therefore, the knowledge transfer regarding which HRM subfunctions configurations are effective in local conditions is crucial for building global HRM systems that are adapted to local requirements.

Another significant challenge in cross-cultural HRM knowledge sharing is the negotiation of cultural differences (Edwards and Rees, 2017). Cultural differences can be considered from the perspective of cultures at the level of individual countries, regions, or even continents (Stor, 2012). For example, IBM, a global technology and consulting company with operations across Asia, Europe, and America, encountered this challenge firsthand when attempting to implement a unified performance management system. The diversity of cultural perceptions of feedback and appraisal across its global workforce presented a considerable obstacle. To address this, IBM initiated a series of cross-cultural workshops aimed at harmonizing understanding and practices around performance management across its worldwide operations. These workshops provided a forum for managers and HR professionals to exchange cultural insights and adapt the performance management system to be more culturally sensitive (Kiron and Spindel, 2019). This initiative by IBM not only facilitated a better alignment of performance management practices with local cultural norms but also underscored the opportunity to enhance HRM practices through embracing cultural diversity. By leveraging the rich tapestry of its global workforce's cultural backgrounds, IBM has been able to foster a more inclusive, adaptive, and effective HRM strategy (*c.f.* Neher et al., 2024). This is particularly important because, as empirical studies show, on one hand, employee performance appraisal can directly influence company performance results, but on the other hand, HRM outcomes may play a mediating role in this relationship. Therefore, this is another example that highlights the importance of knowledge transfer in the field of HRM in achieving business success through a focus on the central position of people within the organization (Stor, 2023b).

Moreover, language differences can complicate the transfer of HRM knowledge, as nuances and specific terminologies may be lost in translation (Ciuk et al., 2022). MNCs address this issue by fostering clear communication channels between HQs and foreign subsidiaries, adopting a common corporate language for official communications while also providing language training and translation services to minimize misunderstandings and ensure that HRM knowledge is accurately conveyed and received (Dowling et al., 2023). Conversely, the diverse cultural contexts within which MNCs operate offer a rich tapestry of insights and practices that can enhance HRM knowledge. By embracing these differences, companies can ensure that HRM strategies are effectively adapted and applied within both HQs and their foreign subsidiaries. This can lead to the development of more inclusive, flexible, and responsive HRM practices that take into account the unique needs and potentials of employees from different cultural backgrounds.

Diversity within MNCs offers a unique opportunity to innovate HRM practices (Ciuk et al., 2022). An excellent example of this is Accenture, a global professional services company known for its commitment to creating an inclusive and diverse workplace. Accenture leveraged the diverse cultural backgrounds of its workforce to redesign its leadership development program, focusing on inclusive leadership. This approach emphasizes the importance of understanding and integrating various leadership styles and practices from different cultures, thereby making the program more inclusive and effective. By incorporating these diverse perspectives, Accenture's leadership development program reflects a broader spectrum of leadership approaches, catering to a global market. This diversity-driven innovation in HRM practices has not only improved leadership development outcomes at Accenture but also significantly increased employee engagement and loyalty across the company's global operations (Beck and Kreisz, 2006). By valuing the unique contributions of each employee and fostering an environment where diverse teams are empowered, Accenture demonstrates how embracing diversity can lead to enhanced innovation and effectiveness in HRM practices. This example showcases the potential for MNCs to harness diversity as a strategic asset, improving leadership development and fostering a more inclusive corporate culture.

Furthermore, the process of cross-cultural knowledge sharing can strengthen the global cohesion of MNCs, promoting a sense of unity and shared purpose among employees worldwide. Particularly, the synergy between HQs and foreign subsidiaries plays a crucial role in this context, enhancing their global HRM capabilities and fostering a truly inclusive organizational culture (Minbaeva et al., 2014). Through the careful navigation of challenges and the strategic harnessing of opportunities, MNCs can transform cross-cultural differences into a competitive advantage.

## 3.4. The Impact of Human-centric Management on HRM Knowledge Transfer Strategies

The shift towards human-centric management has significantly impacted how MNCs transfer HRM knowledge, particularly in enhancing employee engagement (Stor, 2024) and well-being (Molek-Winiarska and Mikołajczyk, 2022). Google, a global technology firm renowned for its innovative and employee-focused HRM practices, exemplifies this approach. The company has developed HRM practices that prioritize flexible working arrangements, mental health support, and continuous learning opportunities, which has fostered a more engaged and productive workforce. This is evidenced by Google's high job satisfaction scores and notably low turnover rates. By focusing on the well-being and growth of employees, Google has successfully created a supportive and empowering work environment that reflects the core principles of human--centric management. Through initiatives like "Grow with Google", the company provides valuable skills development resources, underscoring its commitment to continuous learning and personal growth (Benefits at Google, 2024). Google's dedication to the well-being and development of its employees showcases the profound impact of adopting human-centric HRM practices on enhancing employee engagement and organizational success.

The transition to a more people-focused approach in managing human resources underscores the importance of tailoring HRM practices not only to align with corporate objectives but also to address the diverse needs and expectations of a global workforce (Celbis et al., 2023), including expatriates (Ismail, 2015). In this context, human-centric management principles have led to the development of more inclusive and adaptive HRM knowledge transfer strategies. These strategies recognize the value of understanding and integrating local cultural nuances into HRM practices. For instance, training programs (*c.f.* Garavan et al., 2023) and leadership development initiatives (*c.f.* Haromszeki, 2024) are increasingly designed to be flexible, allowing for customization that respects local cultural norms and values. This flexibility ensures that the transfer of HRM knowledge does not merely impose a one-size-fits-all solution but rather adapts to the specific context of each subsidiary.

Moreover, the emphasis on employee well-being (Molek-Winiarska and Mikołajczyk, 2022), engagement (Domaradzka, 2016) or even their happiness (*c.f.* Farooq et al., 2024) within the human-centric management framework has encouraged MNCs to adopt more participative and transparent knowledge sharing practices. Employees are not just passive recipients of transferred knowledge; they are actively involved in the creation and dissemination of HRM practices (Fitzsimmons et al., 2023). Such participatory approaches facilitate a two--way exchange of knowledge, where insights from local subsidiaries can inform and enrich the global HRM strategy. This collaborative environment fosters a sense of ownership and commitment among employees, particularly form different cultural settings (Polo et al., 2018), enhancing the effectiveness of knowledge transfer. However, this, of course, necessitates support through the appropriate managerial competencies to enable the transfer of such knowledge (Domaradzka, 2021).

Additionally, technology plays a crucial role in supporting the human-centric approach to HRM knowledge transfer (Bissola and Imperatori, 2020). Digital platforms and social media tools are increasingly used to facilitate communication and collaboration across borders, enabling real-time sharing of ideas and feedback (da Silva et al., 2022). These technologies support a more dynamic and interactive process of knowledge transfer, aligning with the principles of human-centric management by promoting connectivity and community among employees worldwide.

Adopting a human-centric management paradigm also means that MNCs must be adept at adapting HRM practices to fit local nuances (Edwards and Rees, 2017). Starbucks, a retail giant operating in over 80 countries, serves as a prime example of this approach. The company conducted an extensive review of its HRM practices through the lens of human-centric management, identifying areas for alignment with local cultural values and employee expectations. This led to a series of localized adaptations, such as the "Partner of the Quarter" program in China, which acknowledges outstanding employees based on peer nominations, aligning with the cultural emphasis on community and collective achievement. Furthermore, Starbucks has initiated community engagement activities across various countries, allowing employees to contribute to local causes, which resonates deeply with many cultures (Starbucks Equity..., 2022). These adaptations significantly improved local employee engagement levels

and operational performance (Katebi et al., 2022), demonstrating how MNCs can benefit from integrating human-centric HRM practices that respect and reflect local nuances.

The impact of human-centric philosophy on HRM knowledge transfer strategies represents a transformative shift in how MNCs approach the development and dissemination of HR practices. By prioritizing the human element, companies can ensure that their knowledge transfer processes not only achieve strategic objectives but also contribute to a positive and engaging work environment for all employees, regardless of their location. This alignment between strategic goals and employee well-being is essential for sustaining a competitive advantage in the global marketplace.

## 3.5. Summary and Final Conclusions

**The main goal of this chapter** was to determine what knowledge transfer within HRM between HQs and foreign subsidiaries of MNCs means from the perspective of the human-centric management paradigm, as well as to identify the related conditions. In the context of the discussions undertaken, this goal can be considered as achieved. The chapter has comprehensively addressed the mechanisms of HRM knowledge transfer, illuminated the unique challenges and opportunities presented by cross-cultural knowledge sharing, and highlighted the significant impact of adopting a human-centric management approach on the strategies and effectiveness of HRM knowledge transfer across the global landscape of MNCs.

The exploration of various mechanisms, including digital platforms, expatriate assignments, and inter-unit communication networks, has illustrated the dynamic ways through which MNCs can align HRM practices across different cultural, legal, and economic contexts. These mechanisms not only enhance global coherence but also respect and adapt to local nuances, embodying the essence of human-centric management.

Furthermore, the chapter discussed the negotiation of cultural differences and the importance of adapting HRM practices to local contexts, as exemplified by companies like IBM and Accenture. These examples demonstrated how MNCs could leverage cultural diversity to innovate HRM practices and improve leadership development outcomes, thereby increasing employee engagement and loyalty across global operations.

The shift towards human-centric management, as evidenced by practices adopted by firms such as Google and Starbucks, was shown to significantly enhance employee engagement and well-being. By prioritizing flexible working arrangements, mental health support, and continuous learning opportunities, these companies have successfully created work environments that not only meet strategic objectives but also foster employee satisfaction and growth.

To specifically identify the related conditions necessary for the successful transfer of HRM knowledge in the context of the human-centric management paradigm, it is essential to recognize the critical role of managerial competencies in facilitating this process. These competencies include cultural sensitivity, effective communication skills, and the ability to adapt HR practices to local nuances while maintaining global coherence. Additionally, creating

an organizational culture that values and supports continuous learning and knowledge sharing is pivotal in enabling the transfer of HRM knowledge.

Moreover, it is crucial to highlight that all fundamental conclusions regarding the impact of human-centric management on HRM knowledge transfer strategies have been thoroughly discussed. One key oversight, however, is the explicit mention of the necessity for a strong leadership commitment to the human-centric paradigm. This commitment should be bolded as it ensures the allocation of resources and support for initiatives that enhance HRM knowledge transfer, such as investment in technology for digital platforms and the development of cross-cultural training programs.

In conclusion, the chapter has provided insights and implications for HRM practices in MNCs, emphasizing the importance of a human-centric approach in the effective transfer of HRM knowledge. By embracing this paradigm, MNCs can ensure that their HRM practices are not only efficient and globally coherent but also deeply respectful of and responsive to the diverse needs of their global workforce. This alignment between strategic objectives and employee well-being is crucial for sustaining a competitive advantage and achieving organizational success in the global marketplace. The recognition and incorporation of these conditions and the overarching need for leadership commitment further solidify the chapter's conclusions and ensure a comprehensive understanding of the critical elements for successful HRM knowledge transfer in MNCs.

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# Chapter 4

## From Stalinist Paradigms to Modern Human-centered Management: Tracing the Evolution of People Management Practices in Poland

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## 4.1. Introduction

The evolution of human resources management in Poland, especially during significant historical upheavals, presents a compelling lens through which to view broader societal and economic transformations (*c.f.* Górski, 2018). This chapter delves into the critical period of the 1950s, a time marked by the strong influence of Stalinist ideologies on HRM practices. As we explore this era's impact on contemporary management strategies in Poland, we build on the foundational discussions laid out in the initial chapters of this monograph.

In Chapter 1, we examined the role of external environmental factors and their influence on HRM practices from a human-centric management perspective. This backdrop sets the stage for understanding the Stalinist period's emphasis on control and uniformity (*c.f.* Gregory, 1990) in contrast to the modern emphasis on individual potential and employee well-being (*c.f.* Adams, 2019). Chapter 2 focused on workplace-related factors influencing employee loyalty and job performance, underscoring the shift from transactional to relational HRM practices (Bannya et al., 2023). This evolution from viewing employees as mere tools of productivity to recognizing them as central stakeholders in organizational success (Stahl et al., 2020) provides

a critical contrast to the practices introduced during the Stalinist era. In Chapter 3, the discourse shifted to HRM knowledge transfer within multinational companies, highlighting the balancing act between global standardization and local adaptation (Stor, 2023a). The challenges and strategies discussed therein resonate with the ideological shifts from the 1950s to present-day Poland, where global influences continually reshape local practices.

A. Sajkiewicz (2007) categorizes the origins of human resources management in Poland into two distinct perspectives. The first is institutional, highlighting entities like the Instytut Pracy i Polityki Społecznej (Institute of Labor and Social Affairs) and universities that engage in research on work-related issues and provide relevant educational programs. The second perspective focuses on the scientific disciplines that study work and its organization, including work and management organization, philosophy, sociology, psychology of work, and labor economics. Notably, while there is substantial research covering various periods, the early 1950s – marked by the establishment of the Główny Instytut Pracy (GIP – Central Labor Institute) and the journal of *Ekonomika i Organizacja Pracy* – have been less explored. This chapter aims to fill that gap by focusing on this pivotal period in the history of human resources management in Poland.

In the context of the above, **the main goal of this chapter** is to critically explore the influence of Stalinist ideologies and management practices on people management strategies in Poland at that time and compare them to some contemporary concepts of HRM. By focusing on the period of Stalinism and its direct impacts, this chapter seeks to bridge the historical context with modern management practices, particularly to show some similarities between the strategies and practices of people management then and contemporary HRM. Subsequent sections will explore the evolution of management paradigms, the specific impacts of political and ideological shifts on management strategies, and the ongoing influence of these historical periods on modern practices.

## 4.2. Evolution of People Management within the Human-centered Paradigm

As we plunge into the historical perspective of people management during the Stalinist era in Poland, it is essential to compare and contrast these historical approaches with the contemporary trends that emphasize employee well-being (Nielsen et al., 2017), personal development (Dachner et al., 2021), and the recognition of employees as integral components of an organization (Boon et al., 2018). The Stalinist period characterized the worker primarily as a mobilizing force, a tool in the larger mechanism of state productivity and ideological conformity. Management practices were heavily influenced by political doctrines, where the individual's needs and aspirations were subordinated to collective goals and state directives (Listwan et al., 2009).

In stark contrast, today's management paradigms have shifted significantly towards a more human-centered approach. Modern theories and practices recognize the unique contributions

of each employee, focusing on creating environments that foster personal growth, satisfaction, and empowerment (Wojtczuk-Turek, 2020). Concepts such as talent management (Stor, 2023b), organizational culture (Haromszeki, 2023), and employee engagement are pivotal (Stor, 2024), highlighting a significant shift from viewing employees as mere resources to recognizing them as valuable stakeholders whose well-being directly impacts organizational success.

This historical reflection is not merely academic; it serves to underline how past ideologies and management methodologies have shaped, and in some cases, continue to influence contemporary management strategies (*c.f.* Górski, 2014). Understanding the origins and evolutions of these practices allows us to appreciate the complexities of managing people today. The lessons learned from past management practices, including their failures and successes, provide invaluable insights into the necessity of placing the human element at the center of organizational strategies. This shift is not just ethical but strategic, as studies consistently show that organizations that prioritize employee well-being tend to enjoy higher productivity, better innovation, and more sustainable growth (Nielsen et al., 2017). As we proceed to explore the specific details and dynamics of people management in the Stalinist years, keeping this modern paradigm in mind will allow us to better understand the critical importance of the historical developments and their long-term implications on today's management practices (Górski, 2020).

The historical shift from a rigid, state-driven management approach to a more nuanced understanding of human resources underscores the evolution toward recognizing the inherent value of individual contributions within organizations. Today, this is reflected in the widespread adoption of talent management systems that focus not just on enhancing efficiency but also on nurturing the potential of each employee (Cooke et al., 2022). This paradigm shift highlights a broader trend where the well-being and personal growth of employees are seen as integral to organizational success, mirroring the contemporary focus on holistic and human-centered management strategies.

## 4.3. The Political Background

The period 1944-1956 of Polish history historians call the „Stalinist years" (Eisler, 2018, s. 104). In the first years of this period, until 1949, Polish communists tried to gain power by all means, including terror. In the following years, without giving up terror, they began to implement their social and economic policies. Poles were faced with the task of rebuilding the economy, industry, agriculture and transport destroyed by the war, as well as developing new industrial enterprises. From the very beginning, the work of reconstruction was undertaken by workers, engineers, economists and political activists of options other than communists. Among them were the pre-war deputy prime minister, initiator of the creation of the Central Industrial District (COP) and the expansion of the harbor of Gdynia, E. Kwiatkowski, economist Cz. Bobrowski and the activists of the Institute of Scientific Organization and Management, S. Bieńkowski, Z. Rytel and W. Baliński. They believed that P. Drzewiecki's motto, formulated after World War I, that Poland needs well-organized and efficient work, was still valid.

Unfortunately, management in the enterprises taken over by the new government did not match those patterns. The author of the article published in *Przegląd Organizacji* pointed not only to the lack of qualified personnel, but also to the excess of "reports, surveys and deadlines". This led to a decline of product quality, "scandalous delays in delivery" and more and more customer complaints (Kostecki, 1946) Such an image not only contradicted the principles of scientific organization, but even the standards accepted before the war. This was soon to become an everyday occurrence and any attempts at management according to pre-war scientific methods not only smacked of bourgeois science, but were also considered to be detrimental to the socialist economy.

Instead of these principles, the Soviet model of industrialization was implemented in long-term economic plans and the principles of selecting managerial staff based on the nomenclature system, existing in all countries of the Soviet bloc, were pushed forward. The working man was a special object of interest of the communist authorities. This was due to both political and ideological reasons. It was expressed in the belief that the communist system based on state ownership of the means of production and the power exercised by the communist party served the interests of the working class. It was believed that the most important factor determining work efficiency was the ideological commitment of workers. Therefore, it was decided that in the new political conditions the best solution of problems of work organization would be „socialist work emulation" (Wilk, 2011).

This emulation was used for political purposes. Competition in the pace of implementation of the economic plans was presented as an expression of support for the communist party policy. However, the main motives for participating in this socialist emulation concerned increasing remuneration, promotion to a higher position, opportunities for professional education and recognition from colleagues. Admiration from colleagues did not always follow, as workers feared that socialist emulation would result in higher requirements of work standards. This problem was well illustrated in the character of Mateusz Birkut in Andrzej Wajda's film "Man of Marble".

Polish representatives of scientific management in the interwar period were convinced that good organization based on scientific principles enabled efficient work, increased production and, as a result, increases employee salaries. This allowed for reducing conflicts between workers and capitalists (Adamiecki, 1938). Expressing their appreciation for workers' involvement in the implementation of production plans, they believed that the way of doing work should be scientifically elaborated. They believed that conditions for safe work should be guaranteed and workers should be prevented from losing their health. (Baliński, 1948; Baran, 1948; Filipkowski, 1948; Gutowski, 1948; Wojnarowicz, 1948; Żółtaszek, 1948).

They spoke critically about the principles of economic planning proposed by the communists. Rytel even noted that "ideological planning" is unacceptable. "No vision of the future must be considered as something perfect and certain; through trials and corrections of inevitable errors we arrive at tolerable plans. (...) Otherwise we may destroy the public's faith in all planning." (Z *dyskusji nad referatem*..., 1946, p. 213). However, in the planning discussion, substantive arguments were not important because they did not determine economic policy in the late 1940s and early 1950s. The ideological and political choices behind them were important. They could

rightly be interpreted as at least critical of the new model of economic policy, which was an argument against the science of organization and management and the circle representing it.

In 1949, the Scientific Institute of Organization and Management was transformed into the Scientific Society of Organization and Management (TNOiK). The Society began cooperation with the newly established Central Labor Institute (GIP), and in January 1949 "Przegląd Organizacji" became a joint organ of both organizations (Heidrich, 1970, p. 798). In the *Przegląd Organizacji* the sections concerning following issues: methods of implementing the economic plans prepared by the communist party, socialist emulation, employee rationalization, and work standardization were divided. Ideological issues and arguments increasingly dominated the articles.

The president of TNOiK and then deputy minister, Wincenty Jastrzębski, in his speech at the General Meeting of TNOiK, declared that the capitalist economy, for political reasons, must be backward, expensive, wasteful, and the socialist economy must be progressive, thrifty, and efficient (Jastrzębski, 1949, p. 162). Balicki's conciliatory article defending the achievements of the interwar organizers was of no avail. In such a situation, the Extraordinary General Meeting of TNOiK on December 4, 1949 decided to dissolve the Society.

In his speech, Stanisław Guzicki argued that "when the broad masses were embraced by the movement of competition and rationalization, when trade unions took over the leadership of increasing work efficiency, when scientific institutes were established to conduct research on raising the technical level and improving the organization of production processes and improving industrial administration, then The Society has fulfilled its social role, it should place all its funds completely at the disposal of the state" (Nadzwyczajne Walne Zgromadzenie TNOiK..., 1949, p. 487).

The notion of 'socialist work emulation' introduced during the Stalinist era, while fundamentally a tool for ideological control, inadvertently set the stage for competitive practices in modern organizational settings. Today, this concept can be seen mirrored in corporate gamification strategies where competitive frameworks are designed to enhance employee engagement and productivity (Murawski, 2021). The underlying principle of fostering a competitive yet collaborative environment helps modern organizations drive their teams towards higher efficiency and innovation, showing how historical management practices, albeit under vastly different ideologies, have influenced current corporate culture dynamics (Wibisono et al., 2023).

## 4.4. Scientific Reflection on Work and People Management in Poland in the First Half of the 1950s.

*Przegląd Organizacji* was first taken over by the GIP and then liquidated in 1950. The issue of socialist emulation, which was crucial for communist industrialization, was discussed in the journal *Myśl Współczesna*. In one of the articles, I. Epsztejn noted that in the daily press at the turn of the 1940s and 1950s there was a lot of information about labor leaders and the

production commitments they accepted (Epsztejn, 1949). In the same year, the first issue of *Ekonomika i Organizacja Pracy* was published by GIP; from 1953 it was published by Instytut Ekonomiki i Organizacji Przemysłu. Both, supporters of the new socialist work organization, such as I. Epsztejn and Ferski, and people associated with scientific organizations or psychotechnics before the war, such as B. Biegeleisen-Żelazowski or F. Jaźwiński, published their articles in this journal. B. Biegeleisen-Żelazowski was employed at GIP and organized a technical work standardization facility. These issues were a response to practical problems related to the organization of work in enterprises at that time. Over time, new ones were added, related to warehouse management and material incentives to motivate employees. They appeared as party leaders became aware of the difficulties in implementing subsequent stages of the six-year plan, when socialist emulation turned out to be an insufficient way to achieve the assumed production goals and it turned out to be an insufficient way to achieve the assumed production goals.

Instytut Ekonomiki i Organizacji Przemysłu increased its employment and conducted research on problems suggested by subsequent plenary sessions of the Central Committee of the Polish United Workers' Party and statements of party leaders. These included:

- organizing competitions to describe the working methods of leaders participating in socialist emulation,
- counteracting bureaucratism, understood as "ossified forms of management", a relic of the capitalist economy,
- transferring organizational experience from industry to agriculture, which allowed for strengthening the bonds between the city and the countryside, the workers' and peasants' alliance,
- fighting against waste and better use of production reserves (Posiedzenie Rady Naukowej IEOP 16-17 października 1953).

The conducted researches contributed to establishing cooperation with a textile factory in Łódź and the factory producing telephone devices, ZWUT, in Warsaw. The development of the Institute caused that the departments were transformed into independent units, such Instytut Organizacji Przemysłu Maszynowego "Orgmasz". From the beginning, Instytut Ekonomiki i Organizacji Przemysłu carried out two tasks. One was the criticism of scientific management, the second was the development of a socialist theory of organization that would be the basis for the education of socialist managers. Researchers of that time were much more willing to carry out the first task but there was no one willing to implement the second one.

In December 1952, a Conference of Departments of Industrial Economics of Polish universities was held, devoted to education programs and the organization of studies. J. Kordaszewski, later a professor at SGPiS (Warsaw School of Economics), in his discussion of this conference in "Ekonomika i Organization Pracy", pointed to the lack of experience in education corresponding to the ongoing changes in the functioning of socialist enterprises. He noted that basic categories such as branch of industry (branże przemysłu) and sectors of industry economics as well as the scale of planning in the national economy had not yet been

developed. Therefore, he believed that the only support in the training process could be a reference to the works of the classics of Marxism and political economy, which was also dominant in the training of economists at the time (Kordaszewski, 1953).

In Poland from the end of the 1940s, Soviet solutions were implemented in the organization of science and higher education. The bourgeois science of organization and management was to be replaced by a socialist science, completely subordinated not only to politics, but even to ideology. According to I. Epsztejn, the issues of organization and management were included in the framework of the relationship between "the technology of a given production and its economics" (Epsztejn, 1950, p. 2). This resulted from the justifications formulated by the classics of Marxism-Leninism-Stalinism, the relationship between the base and the superstructure and the role that the organization of production plays in the historical form of social production. The Marxist-Leninist-Stalinist ideology was treated as a dogma.

The above conclusions were based not only on historical materialism, but also on the ideological assumptions of communism, which boiled down to contrasting a capitalist economy based on exploitation of workers with a socialist economy in which class-conscious workers work for the good of the entire society. This thesis was justified by I. Epsztejn, who argued, "workers calculate what is cheaper and more economical, but they do the calculation not on the basis of the calculation of personal profits, but on the basis of the calculation of social production (...) in this way, economics is connected with the organization of production" (Epsztejn, 1950, p. 8). He believed that the organization of production was subordinated to politics, the dictatorship of the proletariat and the rule of the communist party. I. Epsztejn found the justification of this thesis in Lenin's statement: "the new socialist organization of work is a function of this dictatorship, just as the function of this dictatorship is the new work discipline, the fight to break the resistance of the bourgeoisie, etc." (Epsztejn, 1950, p. 5).

The science corresponding to the new conditions was to be economics and work organization. Its development required not only "the rejection of bourgeois pseudoscientific concepts and practices hostile to the interests of the working masses", but also "a thorough and systematic assimilation of the great achievements of the Soviet Union based on the science guided by the principle of the interests of the Communist Party" (...) using the initiative and creativity of the working masses" and "criticism and self-criticism" (Epsztejn, 1950, p. 9). Translations of articles by Soviet authors published in EiOP served to this purpose. Some of them were discussed during scientific meetings organized at the Institute of Economics and Organization of Industry and at the Department of Economics and Work Organization of the Warsaw University of Technology.

While the Stalinist approach to people management in Poland is often criticized for its oppressive nature and its utilitarian use of the workforce (Listwan et al., 2009), it inadvertently laid some foundations for rigorous organizational practices that echo in some of today's management strategies. Despite the primary goal of aligning workers' efforts strictly with ideological state policies, these methods fostered a sense of efficiency and collective effort, which under different circumstances, align with the strategic goals of contemporary organizations (Barker Scott and Manning, 2024).

The emphasis on efficiency during the Stalinist era led to the development of highly organized, standardized processes. This focus, though initially driven by the need to meet and exceed production quotas (Florczyk, 2014), resembles the lean management practices widely adopted in industries worldwide today. In the modern context, efficiency and waste reduction are pivotal to operational success, demonstrating a parallel in how structured environments can lead to improved organizational outputs (Koemtzi et al., 2023).

Furthermore, the concept of 'socialist emulation', used as a tool for political indoctrination, also promoted a form of collective effort and team cohesion. Teams were motivated to outperform one another, not merely for individual accolades but as part of a collective effort to achieve a common goal (Staar, 1958). In modern organizations, this is reflected in team-based structures where collaborative efforts towards common business objectives are highly valued (Barker et al., 2024).

The rigorous demands of meeting industrial quotas under Stalinist regimes necessitated structured training programs to ensure workers were proficient in their roles (Listwan et al., 2009). Although primarily focused on productivity, this aspect of the Stalinist approach parallels today's corporate emphasis on employee development and continuous learning. Modern businesses focus on holistic benefits, including personal and professional growth, showing how foundational elements of training and development have evolved (Dachner et al., 2021).

Lastly, the adaptability demonstrated during the Stalinist period, although driven by political needs, highlights a crucial trait for contemporary business environments (Staar, 1958). Today's organizations must pivot quickly in response to changing market dynamics, similar to how historical management adapted to meet the changing needs of the state.

By analyzing these aspects, we can discern that certain foundational elements of modern organizational practices, stripped of their ideological and oppressive overtones, can be traced back to this era. Recognizing these historical underpinnings allows contemporary management thinkers to appreciate the evolution of management strategies from purely efficiency-driven approaches to more human-centered methods (Gorski, 2018).

Summarizing, the structured training programs and emphasis on efficient work practices during the Stalinist era have parallels in today's emphasis on continuous professional development and lean management techniques. Although the ideological underpinnings have dramatically shifted, the focus on optimizing work processes and enhancing employee skills remains a cornerstone of modern management practices. This historical perspective helps us understand the origins of systematic employee development programs which are now central to the strategies aiming at long-term organizational resilience and adaptability.

## 4.5.  Soviet Patterns and Their Polish Implementation

Soviet models concerned not only the organizational forms of science, but above all the tasks it faced, the theses it put forward and their justifications. The theses about the primacy of ideology over science and politics over the economy came down to the postulate of analyzing,

describing and disseminating work methods used by workers participating in socialist work emulations. The Soviet Stakhanovite movement was accompanied by a method of training workers developed by Fiodor Kovalov, discussed in the articles published in EiOP and in the articles highlighting the production achievements of Soviet and Polish workers.

What distinguished the approach of Polish engineers to Kovalov's method was taking into account psychological aspects. It involved combining methods typical of the scientific management, aimed at optimizing activities, with an approach typical of E. Mayo's research, requiring attention to the individual employee and their relationships with others (Biegeleisen-Żelazowski, 1952; Kosmala 1952, p. 155). The Polish promoter of psychotechnics also emphasized the importance of a methodical approach to training consisting of organizing a training workshop, an individual approach to trained employees, getting to know their opinions and allowing them to share their observations with colleagues. B. Biegeleisen-Żelazowski also drew attention to the importance of preparing instructors training young workers, emphasized by Kovalov.

The increased involvement of young textile industry workers in training led, as the author wrote, to criticism of many shortcomings in work organization, poor condition of machinery and equipment, and irregular supplies of raw materials. These shortcomings caused the employees to become discouraged and disappointed that despite being well trained in accordance with the new method, they would not be able to increase their work efficiency and, consequently, obtain higher remuneration (Biegeleisen-Żelazowski, 1952). The use of Kovalov's method by Polish engineers conducting research in electrical and textile industry plants made it possible to both emphasize the ideological aspects of this method, the importance of workers' class consciousness, and point out the mistakes made in its implementation (Biegeleisen-Żelazowski and Epsztejn, 1953). These included:

- Inappropriate selection of methods for studying workers' work,
- Inappropriate selection of departments for research,
- Errors in the training methods and lack of care for trained employees,
- Incorrect calculation of wages for trained workers,
- Excessive administrative work in some plants.

The low level of awareness and lack of interest on the part of the secondary technical supervision and part of the engineering and technical staff were criticized. The researchers pointed out that these groups of personnel were more easily interested in new techniques and technologies, than while in matters of new work methods, which are an expression of the workers' creative initiative in using the techniques and tools of production.

The adaptation of Soviet organizational methods by Polish management, including the integration of psychological aspects into worker training, foreshadows the contemporary emphasis on understanding employee dynamics and fostering workplace wellness (Adams, 2019). Modern organizational theories that prioritize emotional intelligence and psychological safety can trace conceptual lineage back to these early considerations of worker satisfaction and mental health, albeit today they are employed towards more genuinely inclusive and supportive workplace cultures (Rakowska, 2021).

## 4.6. Implications of Historical Management Practices

The history of organization and management sciences in Poland, the years 1949-1956 were called the period of "loss of identity and efforts to survive" (Krzyżanowski, 1995). As shown in the article, it was rather a period of imposed identity, imposed by Soviet patterns subordinating science to politics and ideology. Communist ideology put working people at the center of attention. It was their class awareness and commitment that determined the effective implementation of the assigned tasks. The researchers' task was to describe the workers' working methods and disseminate them.

Among the researchers, some, like I. Epsztejn, saw their role in the transmission of Soviet patterns and care for their implementation. Others, such as B. Biegieleisen-Żelazowski, tried to use their knowledge and skills in researching work methods and disseminating them. With the change of the ruling team and W. Gomułka coming to power, Epsztejn abandoned promoting Soviet models in favor of French ones for a short period of „October thaw". At the invitation of the Commissariat General a la Productivité, an organization dealing with productivity issues, he visited France. He noticed changes in the relations between workers and management staff and demanded the education of management staff. After returning from France, there was, as befits a good communist following Lenin's words, a suggestion that, in the conditions of competition between two modes of production, capitalist and socialist, Poles should use French solutions in the training of managerial staff in Poland, especially in areas such as management techniques or streamlining administration work in the field of accounting and reporting (Epsztejn, 1957a, 1957b).

After the end of the "October thaw", I. Epsztejn returned to a principled position, proclaiming the need to disseminate advanced methods of production management modeled on Soviet experience in order to "serve the practice of building socialism" (Epsztejn, 1960a, p. 1). He soon returned to his role. He was not only the director of GIP, but also led the Polish delegation of experts in the field of industrial management at meetings of representatives of *Council for Mutual Economic Assistance* (RWPG) countries. As a result of the anti-Semitic campaign of 1968, he lost his managerial position while still working in scientific institutions.

The Stalinist years were also a period of the building of research institutes, which, like Orgmasz, operated until the end of the Polish People's Republic. During this time, until 1980, the idea of building a socialist theory of organization returned from time to time. Thus, the Stalinist period cast a shadow over the Polish science of organization and management for a much longer period than the first half of the 1950s. It influenced not only the connection between science, politics and ideology, but also the attitudes of some of the community, expressed in the practice of the so-called court science. It also resulted in superficial knowledge of scientific theories.

The Stalinist years and the way of practicing organization and management sciences are not of interest to contemporary Polish researchers. However, for Western researchers, the practice of socialist emulation is interesting not because of the rationalization of work organization methods, but because of its impact on the worker's consciousness. P. Watt and

B. Costea see the influence on employees of modern corporations as a continuation of the methods developed in the Stakhanov movement. As they write: „Pursuing endless possibilities becomes central to our everyday working lives. The human type created by that Soviet ideology so many decades ago, now seems to gaze at us from mission statements, values and commitments in meeting rooms, headquarters and cafeterias – but also through every website and every public expression of corporate identity" (Watt and Costea, 2021).

The enduring influence of the Stalinist approach on contemporary management practices, particularly through the lens of worker consciousness and corporate identity as noted by researchers like Watt and Costea, highlights the complex legacy of historical management strategies. In today's corporate world, where employee engagement and corporate culture are significant, understanding these historical contexts enriches our comprehension of how deeply embedded these practices are within the fabric of modern organizational management.

## 4.7. Summary and Final Conclusions

**The main goal of this chapter** was to critically explore the influence of Stalinist ideologies and management practices on people management strategies in Poland at that time and refer them to some contemporary concepts of HRM. The critical analysis of the Stalinist model of people management juxtaposed with contemporary concepts of HRM allows us to identify the following similarities:

- „socialist work emulation" and some contemporary management concepts and practices foster a sense of productivity and collective effort among employees,
- the emphasis on efficiency during the Stalinist era and the lean management practices widely adopted in industries worldwide today,
- psychological aspect of Kovalov method of training employees and modern organizational theories that prioritize emotional intelligence and psychological safety.

These similarities can be viewed from the perspective of the following contemporary trends in HRM:

- striving to achieve the well-being and personal development of employees,
- the recognition of employees as integral components of an organization.

These trends were related to changes in employee value systems, the transition of the society from materialist to post-materialist values. According to R. Inglehart materialistic values such as security, order, authority, work, professionalism, money, morality, and responsibility have been replaced by pleasure, entertainment, self-satisfaction, altruism, tolerance, self--esteem, and solidarity. Changes in value systems influenced the relationship between professional and personal life. However, it should be remembered that these trends also resulted from changes in work characteristics, resulting from the development of information technologies, automation and teamwork. Other important determinants of the above trends were the increase in the education level of employees and the globalization of the organization's reach. These comprehensive conditions resulted in changes in HRM concepts and practice.

Recognizing that employees are an asset to an organization and the organizations which help their employees to achieve greater work life balance have more satisfied employees.

The Stalinist model of personnel management referred not only to employee value systems different from contemporary ones, but also served ideological purposes and subordinated the economy to political goals. Some similarities between the Stalinist model of personnel management and contemporary HRM concepts and practices can be explained by pointing to two categories of similarities, similarities of people management concepts and similarities of the language and managerial discourse.

Inspiration to explain these similarities could be seen in the following approaches. Comparing the similarities and differences between management concepts and practice from the 1950s and today a historical approach will be helpful, taking into account the contexts of the creation and use of the analyzed concepts (Górski, 2014) and/or analysis of institutional isomorphism proposed by P. Di Maggio and W. Powell (1983). Earlier theories explaining the similarities of management concepts could also refer to technological determinism introduced by Thorstein Veblen. As a theory, technological determinism points to technology as the driving force of development in society. According to its supporters, the similarity of organizational solutions and management concepts results from technical and technological conditions. These ideas were developed by representatives of Frankfurt School (Delanty and Harris, 2021). One of the critic of technological determinism was J. Habermas (1971).

In turn, the similarities and differences relating to the language and managerial discourse, as pointed out by P. Watt and B. Costea, can be explained using the inspiration proposed by S. Barley and G. Kunda (1992), distinguishing rational and normative ideologies of managerial control. The similarities of the management language used by managers in the 21st century to the management language of Stalin's times may therefore result from the attractiveness of the attitude represented by the Stakhanovites, the illusion of commitment and dedication to the implementation of the task entrusted to them.

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# Chapter 5

## Shifting toward a Human-centric Management Paradigm in Shaping Soldier Work Engagement and Job Satisfaction in the Polish Armed Forces

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## 5.1. Introduction

Employee work engagement and job satisfaction are perhaps the most frequently mentioned issues in this monograph. They are referenced in practically every chapter. However, we discussed them most extensively in Chapters 1 and 2 in the context of labor market shortages and efforts focused on retaining employees in the organization in response to their specific needs and expectations. We will also address this topic in subsequent chapters, such as Chapter 6 in relation to knowledge worker turnover, and in Chapters 7 and 8 focusing on Generation Z. But it will also be a component of the discussions undertaken in Chapters 8 and 9 on HRM and new information technologies. This proves that employee work engagement and job satisfaction are very important issues since they is discussed from so many perspectives. However, what particularly distinguishes the problem addressed in this chapter is the subject of interest, which is soldiers.

Strengthening employee engagement and satisfaction plays an increasingly important role in the implementation of human resources management (HRM) policies in various types

of modern organizations (Juchnowicz, 2012), both in Poland (Sypniewska et al., 2023) and around the world (Baruah et al., 2023). It's worth noting that almost 40 years ago, quality of work management models such as the TQM model, for example, emphasized employee engagement and satisfaction, alongside issues like employee commitment and involvement, as a key factor influencing the quality of products and services offered by the organization (Walton, 1985).

And regarding the strategic approach to human capital management, employee engagement was recognized as a key element of an organization's HR policy over 50 years ago (Porter et al., 1974). This is supported by research showing that engaged and satisfied employees are more likely to expend extra effort at work, which not only improves organizational performance (Moczydłowska, 2013) but also positively affects the organization's final performance results (Stor, 2024). Engaged employees are less likely to experience absenteeism, change jobs and make mistakes, which translates into savings for the organization (Czarnowsky, 2008; Wagner et. Al, 2006). Thus, from an economic perspective, investing in shaping employee engagement and job satisfaction can benefit the organization in terms of increased efficiency, productivity and profitability (Singh and Gupta, 2015).

Consciously exerting a positive influence on employee engagement and job satisfaction leads to the formulation of various concepts, strategies or models of structured organizational activities within this scope (Chandani et al., 2016). Defining such frameworks individually for each organization is important, as organizations have their own culture, values and standards that affect the way employees respond to different incentives and stimuli. Thus, the concept and developments for shaping employee engagement and satisfaction should be tailored to the characteristic traits of an organization and should take into account the objectives for the implementation of the HRM policy (Marchington et al., 2012). This means that the type of organization can be a significant context that underlines the fact that not only empirical studies but also practiced solutions can be highly specific and, therefore, significantly extend beyond the frameworks considered typical. Consequently, scientists are using increasingly sophisticated methods embedded in a specific context, which allow confirming the existence of causal relationships between HRM practices, like those oriented toward employee engagement and satisfaction, and organizational performance (Garengo et al., 2022). This is consistent with the long-standing calls in the literature to pay special attention to the context (Shuck et al., 2021), because in many cases it determines how the research data is interpreted (Boccoli et al., 2023; Stor, 2022).

A particular type of organization is the armed forces, which, compared to civilian organizations, represent a very specific context for shaping the engagement and satisfaction of soldiers with the conditions of their assigned tasks, understood as working conditions (Iddagoda et al., 2022). The armed forces operate under unique conditions that often involve high stakes and intense pressure, which necessitates tailored engagement strategies to maintain soldier morale and effectiveness. Unlike civilian sectors, military organizations require a deep alignment between the soldiers' personal motivations and the mission objectives, highlighting the importance of engagement in achieving operational success (Oskarsson et al., 2020).

Additionally, the extreme and often volatile environments in which soldiers operate demand a specialized approach to job satisfaction and support, distinct from conventional workplace settings.

Even in times of peace, the armed forces remain a distinct type of organization in terms of soldier engagement and job satisfaction. This specificity arises because military duties, even in non-combat roles, involve a high degree of discipline, readiness (Peng et al., 2020), and the need to adhere to a strict chain of command (Fors Brandebo et al., 2019) which significantly impacts the nature of work and the psychological engagement of personnel (Owens, 1969; Österberg and Rydstedt, 2018). Furthermore, the ethical and moral dimensions of military service, along with the potential for sudden shifts to combat readiness, create a unique set of expectations and stresses that influence job satisfaction. These aspects require tailored HRM practices and supportive measures to ensure that soldiers remain committed (Kanapeckaitė and Bagdžiūnienė, 2024), engaged, and satisfied with their roles (Pastor Álvarez et al., 2019), highlighting the enduring uniqueness of military organizations (Prentice, 2022) in maintaining workforce engagement, regardless of the operational context.

Against this backdrop, the Polish Armed Forces have recently faced quite unique circumstances. Although they have not engaged in any military actions on their own territory since the end of World War II, two significant contextual events have recently occurred in peacetime. On one hand, the COVID-19 pandemic broke out at the beginning of 2020, and on the other, two years later in 2022, Russia launched a military attack on Ukraine. The unfolding pandemic in Poland (Kocik, 2022) and the escalating barbaric assault on the country to the east of Poland's border have created completely different operating conditions for the Polish army (Kozerawski, 2023). Specifically, in the second context of pandemic and near-border wartime, the army had to not only manage the direct health risks of the pandemic among its personnel (Mazurkiewicz, 2022) but also prepare for potential military threats (Skrabacz, 2023). This dual pressure required rapid adjustments in operational protocols (Kuś, 2023) and heightened readiness, contrasting sharply with the more stable conditions of the pre-pandemic and near-border pre-war period. Such challenging times also demand that the organization take special actions to shape soldier engagement and satisfaction in a specific manner, responding to emerging conditions, military strategies, and enabling required soldier performance that ultimately determines the performance of the entire Armed Forces.

Hence, **the main goal of this chapter** is to identify, analyze, and evaluate the activities that contribute to shaping soldier work engagement and job satisfaction (SSWE&JS) within a military organization such as the Polish Armed Forces during peacetime, although in two combined specific contexts: pre-pandemic and near-border pre-war, as well as pandemic and near-border wartime. Additionally, the chapter aims to interpret the identified phenomena from the perspective of the human-centric management paradigm and also to formulate practical recommendations for the military organization under study.

## 5.2.  The Theoretical Framework for the Variables under Study

As organizations globally navigate the evolving paradigms of employee engagement and satisfaction, the necessity to integrate human-centered approaches within all sectors becomes undeniable. In particular, this chapter builds upon the foundation laid in the introduction, extending the discourse to the distinctive context of military organizations. Unlike typical corporate environments, military settings demand a unique blend of stringent discipline and heightened emotional support to effectively manage both routine operations and critical wartime activities. Here, we delve deeper into the theoretical frameworks guiding our understanding of the variables under study, specifically within the Polish Armed Forces. This approach not only resonates with the human-centric management paradigm discussed throughout this monograph but also highlights the specialized strategies that underpin effective HRM in military contexts, reflecting a complex blend of traditional rigor and evolving humanistic values.

As mentioned in the Introduction, the object of research is the Polish Armed Forces (SZRP), undergoing a continuous transformation of its HRM model since 2008 – from the model of mass compulsory military service, through the transitional period of professionalization of the military, to the current stage of professionalization of the army (Piotrkowski, 2012). The latest Act of 11 March 2022 on the defense of the Homeland assumes that by the end of 2032 the army is to be a formation ready in every aspect to perform tasks during two organizational states, i.e. peace (denoted by the letter 'P') and war time (by the letter 'W'). By implementing the assumptions of the personnel doctrine, the army in peacetime prepares its human potential for a possible time of war, which emphasizes the importance of commitment to service in peacetime for the army's potential in times of conflict.

This evolving strategic framework highlights the critical need for a robust model of shaping soldier work engagement and job satisfaction (SSWE&JS) that not only prepares soldiers for the dual demands of peace and potential combat but also bridges the gap between existing HRM practices and the dynamic requirements of modern military operations. The urgency for such a model grows as geopolitical tensions around Poland's borders increase, necessitating a force that is not only technically prepared but also highly motivated and engaged under all conditions. The preparation and implementation of the SSWE&JS model in the Polish Armed Forces is important for a number of reasons, key among them are:

■ The engagement, satisfaction, commitment and motivation of military personnel are crucial to the effectiveness of military tasks and missions. The model would help to understand what actions are needed to maintain high levels of engagement and job satisfaction, resulting in better military performance.

■ Collaboration and trust within a team are important in the Polish Armed Forces. The model should include elements that support the building of bonds between team members, which in turn can contribute to better cooperation and performance in difficult situations.

■ Serving as a soldier requires courage, dedication and personal sacrifice. The model should include elements that help build and maintain high morale among personnel, which can positively influence readiness to perform in any situation.

- Working in the military can be challenging and stressful, which can lead to burnout. The model would include strategies and support for personnel to cope with stress and maintain work-life balance, which can counteract professional burnout.
- The Polish Armed Forces need highly skilled and motivated staff. Developing this engagement model can help attract new recruits and retain existing staff by demonstrating that the organization cares about their engagement, satisfaction, development and well--being.

In **developing the SSWE&JS model**, the author of this monograph chapter adopted several fundamental terminological assumptions and conceptual solutions. Regarding the terms and definitions used, proposals by M. Stor were utilized. **Specifically, it was assumed that**:

- **Employee work engagement** means a specific attitude of an employee and the resulting behavior characterized by identification with organizational goals and values, taking actions consistent with the organization's interests, willingness to belong to the organization, readiness to act giving high rank to the company's interests, undertaking activities that go beyond the standards, with simultaneous readiness for responsibility in the conditions of independent action (Stor, 2023).
- **Job satisfaction** is understood as an emotional state resulting from the employee's perception of his or her own work as giving pleasure and providing what an employee considers important (Stor, 2023).
- **Shaping employee work engagement and job satisfaction** (SEWE&JS) involves activities that are intended to stimulate employee engagement and job satisfaction in such a way as to achieve the organization's goals and ensure its success by creating friendly working conditions (Stor, 2024, p. 98).
- In the armed forces, the concept of a **friendly working environment** specifically addresses the unique challenges faced by military personnel, such as high-stress conditions, long deployments, and the need for readiness. It focuses on creating conditions that ensure soldiers are not only physically prepared but also mentally supported through structured peer relationships, leadership that promotes trust and respect, and resources tailored to the specific stressors of military life. This environment aims to maintain morale and effectiveness, crucial for soldiers who operate in much more unpredictable and hazardous conditions than typical workplace settings.
- Because the model is intended for soldiers, the **term 'employee' has been replaced with 'soldier'.** Consequently, the model has been named **the model of Shaping Soldier Work Engagement and Job Satisfaction** in **Military's Peacetime** and is abbreviated as **SSWE&JS**.

Furthermore, as for the conceptual framework, the author followed the guidelines of the regulations for the Polish Armed Forces personnel policy. Additionally, as a basis, Rummel and Brache's (2020) method of improving organizational effectiveness at three levels has been adopted. The levels are the employee, the organization and the personnel process. At the organizational level, reference should be made to the perspective of the organization's core competencies in the area of the HR function, affecting the achievement of the organization's

strategic and operational goals. At the individual level the perspective of the benefits of participation in the organization's activities and its behavior towards the employee from the HR policy level is noteworthy. The final perspective for describing the SSWE&JS model is the personnel process, which should be given objectives from an organizational and individual perspective for the pertinent activities (Jablońska-Wołoszyn, 2023). Analyzing the areas of the military's influence on soldiers' engagement and satisfaction through the image of the organization is arranged in Figure 4.

| ORGANIZATIONAL LEVEL | EMPLOYEE LEVEL | HR PROCESS LEVEL |
|---|---|---|
| Area of influence of the military on the soldier | Indicator of reinforcement of commitment | Objective for the HRM process |
| Employer image | Belonging to an elite professional group | Pride in service and respect and confidence in soldiers as a professional group |
| | Strategic potential of the army | Soldiers' confidence in the impact of the Armed Forces on the internal and international environment in terms of objectives and strategic plans |
| | Organization and management in the army | Satisfaction with the process of planning, organizing, implementing and evaluating tasks carried out in the military unit |
| | Job security | Tangible benefits of serving in the unit both from the perspective of the soldier and his/her family |

**Figure 4.** The model of Shaping Soldier Work Engagement and Job Satisfaction (SSWE&JS) in Military's Peacetime

Source: own elaboration.

One area that plays a key role in shaping employee work engagement and satisfaction, both in the civilian sector and for institutions such as the military, is the image of an organization (Prentice, 2022). A strong positive image of the Armed Forces as an employer can contribute to an increased sense of pride and belonging among soldiers. Identification with an institution that is perceived as prestigious, professional and respected can influence employee commitment and loyalty (Lievens, 2007). A good image of the military based on values such as professionalism, fairness and concern for the welfare of soldiers and their families builds trust

and respect towards the Polish Armed Forces. Engaged and committed soldiers can encourage others to join the military, which contributes to building a strong and capable workforce (Kurek, 2022). In the case of the Polish Armed Forces, employer image is not only a component of building soldiers' engagement, but also a key factor that influences their morale, satisfaction, combat readiness and mission capability.

As mentioned in the Introduction, the Polish Armed Forces have recently experienced specific turbulences related to the COVID-19 pandemic and the war beyond Poland's organizational activities applied in shaping soldier work engagement and job satisfaction through this organization's image as an employer in the context of these phenomena are important for several reasons. Firstly, the COVID-19 pandemic has affected social, economic and political life around the world, including the armed forces. In many countries, soldiers have been involved in relief activities such as medical aid, transporting medical supplies or maintaining public order during lockdowns (Kocik, 2022). This may have affected their sense of mission and the importance of their social role. Secondly, the conflict in Ukraine may affect soldiers' morale and commitment by increasing geopolitical tension, concerns about the country's security and possible preparations for military intervention (Skrabacz, 2023). Under such conditions, soldiers may be more inclined to engage in service, reinforcing their sense of duty to the state and community.

In view of the above, the research focused on capturing changes in soldiers' perceptions of the Polish Armed Forces compared to other employers in the labor market as one of the areas that reinforce their willingness to take risks and make sacrifices for the good of society. This would provide relevant information for policy makers and military commanders regarding necessary actions to manage military personnel, strengthen morale and maintain a high level of commitment to service in an employer image perspective.

To conclude this section on the theoretical framework for the variables under study, it is imperative to emphasize the relevance of examining the Polish Armed Forces during distinct contextual periods – namely, the pre-pandemic and near-border pre-war conditions as well as the current realities of a pandemic and near-border wartime. The juxtaposition of these contexts provides a unique lens through which to understand how shifts in external conditions influence the internal dynamics of military personnel management, particularly under a human-centric management paradigm.

The study of these periods is crucial not only for its relevance to command and operational readiness but also because it aligns with the broader theme of this monograph: placing the human element at the forefront of organizational strategy. In the military context, this approach is not just about enhancing the effectiveness of responses or strategic outputs; it's fundamentally about understanding the human factors that drive these responses. Soldiers, like employees in any sector, respond to their environment in ways that profoundly affect their engagement, satisfaction, and overall well-being.

## 5.3. The Methodics of the Conducted Empirical Research

The empirical research results presented in this chapter are part of the research material obtained in the course of scientific research projects carried out by the author as part of the statutory activities of the War Studies University in Warsaw. One project was named *Shaping Soldier Involvement in the Armed Forces – an Organizational Perspective* (2020), and another was called *Changes in the Personnel Policy of the Armed Forces versus Soldier Involvement in Service* (2023).

Before proceeding with the questionnaire-based empirical research discussed later in this section, the author of this chapter, a staff member at the Faculty of Management and Command at the War Studies University in Warsaw, Poland, initially sought to gather some contextual information for the study. The acquired information indicates that during the pandemic, military organizations during the pandemic primarily focused on ensuring safety, adequate personal protective equipment, access to COVID-19 testing and providing medical assistance to soldiers and civilians, especially in pandemic-affected areas. It adjusted service schedules and organization of activities to mitigate the risk of infection and protect the health of personnel. They also introduced remote working arrangements where possible. The war in Ukraine involved the Polish Armed Forces in operational activities on the eastern border by providing logistical, medical and combat support to soldiers taking part in operations. The military has been involved in humanitarian operations for Ukrainian refugees, providing medical assistance, access to shelter and logistical support. Currently, the Polish Armed Forces are on standby on the eastern border to prevent infiltration and to protect Polish territory from a possible threat posed by the conflict in Ukraine.

The main goal of the empirical research to which this chapter refers was to juxtapose soldiers' perceptions of the activities undertaken by the Polish Armed Forces in shaping soldier work engagement and job satisfaction through this organization's image as an employer in the two specific combined contexts: pre-pandemic and near-border pre-war, as well as pandemic and near-border wartime. The survey, in the form of a questionnaire, was conducted twice in 2019/2020 and in 2023.

According to the adopted model of SSWE&JS in Military's Peacetime (Figure 1), survey respondents were asked to evaluate 12 statements related to the components of this model. These statements, treated as selected variables of the model, are presented in Table 2 in the next section. In making their evaluations, respondents used a ranking scale, rating each variable by assigning it an appropriate rank, where 1 represented the most competitive and 12 the least competitive when compared to other employers in the job market.

The respondents included soldiers who were students or participants of courses within the educational activities of the War Studies University in Warsaw. The selection of the group was purposive and it was assumed that the students surveyed had leadership or specialist experience in the Polish Armed Forces. A total of 158 respondents participated in the 2019 survey, and in 2023, the number of respondents was 159. Table 9 provides the socio--demographic characteristics of the research sample.

**Table 9.** Sociodemographic characteristics of the 2019 and 2023 research sample

| Characteristics of respondents | | Year of research | | | |
|---|---|---|---|---|---|
| | | 2019 | | 2023 | |
| Gender | Category | Frequency | Percentage | Frequency | Percentage |
| | Total | 158 | 100 | 156 | 100 |
| | Females | 23 | 14.6 | 22 | 13.4 |
| | Males | 135 | 85.4 | 134 | 84.8 |
| | No data | 0 | 0 | 3 | 1.8 |
| Length of military service | - | Mean | Std. Dev. | Mean | Std. Dev. |
| | - | 16.91 | 9.49 | 13.31 | 9.81 |
| Holding a command position | Options | Frequency | Percentage | Frequency | Percentage |
| | No | 64 | 40.5 | 49 | 29.9 |
| | Yes | 92 | 58.2 | 109 | 66.5 |
| | No data | 0 | 0 | 6 | 3.7 |
| Personnel Corps | Category | Frequency | Percentage | Frequency | Percentage |
| | Officers | 122 | 77.2 | 119 | 72.6 |
| | Non-commissioned officer | 29 | 18.4 | 41 | 25.0 |
| | Professional Private | 6 | 3.8 | 0 | 0 |
| | No data available | 0 | 0 | 4 | 2.4 |

Source: own empirical research.

The data extracted in 2019 shows that the vast majority of the surveyed soldiers were male (85.4%) and in leadership roles (58.2%). The length of service in the military averaged around 17 years, with the shortest length of service being less than a year and the longest 40 years. When analyzing the data for 2023, also the vast majority of the soldiers surveyed were men (84.8%) and those in leadership roles (66.5%). The length of seniority in the army was on average about 13 years, with the shortest seniority being less than a year and the longest 36 years.

## 5.4.  The Empirical Research Findings

The first source of analysis was a ranking of the variables that distinguish the military organization as an employer relative to other employers. The respondents ranked the variables from 1 – most competitive to 12 – least competitive and a mean was calculated based on the assigned scores. According to the method adopted, the lower the mean, the more competitive the factor was relative to other employers.

As can be seen in Table 10, rankings based on data from 2019 and 2023 differ. The variable *mission and values of the military* remained unchanged and invariably remained at the top.

Also unchanged was the variable related to *training and gaining qualifications* (6th place), the *opportunity to work in a prestigious team of soldiers* (11th place) and *access to modern knowledge and modern working tools* (12th place).

A significant drop was recorded for four variables: the *perception of the Army as an attractive employer in the labor market* (from place 5 to place 7), the *attractiveness of the tasks a soldier performs in the Army* (from place 4 to place 9), *interesting and challenging working conditions* (from place 2 to place 5) and *being a Commander in a prestigious professional group such as a soldier* (from place 7 to place 10). Of greater importance in the opinion of respondents in 2023 were *great opportunities to develop the Army as an organization* (from 10th place to 3rd) and *career opportunities* (from 8th to 4th). *Attractive financial and non-financial fringe benefits* and basic pay were rated similarly.

**Table 10.** Ranking of variables distinguishing the military organization as an employer relative to other employers

| Factors | 2019 | | 2023 | |
|---|---|---|---|---|
| | Mean | Ranking | Mean | Ranking |
| The military's mission and values | 5.01 | 1 | 5.34 | 1 |
| Interesting and challenging working conditions | 5.77 | 2 | 6.17 | 5 |
| Attractive additional financial and non-financial benefits (e.g. basic salary supplements, military pension scheme) | 5.80 | 3 | 5.89 | 2 |
| Attractive tasks that a soldier performs in the army | 5.97 | 4 | 6.45 | 9 |
| Perception of the military as an attractive employer in the labor market | 6.05 | 5 | 6.38 | 7 |
| Training and qualifications guaranteed by the army | 6.58 | 6 | 6.24 | 6 |
| Being a commander in a prestigious professional group such as the military | 6.71 | 7 | 6.62 | 10 |
| Career opportunities: attaining successive military ranks and positions | 6.90 | 8 | 6.04 | 4 |
| Attractive basic pay commensurate with military rank | 6.92 | 9 | 6.41 | 8 |
| Great opportunities for the development of the military as an organization | 6.97 | 10 | 6.01 | 3 |
| The opportunity to work in a prestigious team of soldiers | 6.99 | 11 | 7.08 | 11 |
| Access to modern knowledge and working tools | 8.37 | 12 | 8.42 | 12 |

Source: own empirical research.

An analysis of correlation with Spearman's rho coefficient was carried out to determine the relationships between the variables that distinguish the military organization as an employer and the evaluation of employer image consciousness in the model of SSWE&JS in Military's Peacetime. In 2019, observations of soldiers who incorrectly completed this part of the questionnaire were excluded from the analyses ($n$ = 21). For the correlation analysis, the variables distinguishing the military as an employer were recoded from a ranked manner, and now 1 meant the lowest rate and 12 the highest. The results of the analyses are presented in Table 11.

**Table 11.** The results of a correlation test for the selected variables from the model of SSWE&JS in Military's Peacetime collected in 2019

| Variables | Belonging to an elite of professional group | | Strategic potential of the army | | Organization and management in the army | | Job security | |
|---|---|---|---|---|---|---|---|---|
| | $r_s$ | $p$ | $r_s$ | $p$ | $r_s$ | $p$ | $r_s$ | $p$ |
| Mission and values of the army | -0.13 | 0.130 | **0.23** | 0.007 | -0.15 | 0.08 | -0.13 | 0.135 |
| Great opportunities to develop the military as an organization | -0.06 | 0.482 | **0.17** | 0.047 | -0.16 | 0.059 | -0.12 | 0.153 |
| Being a commander in a prestigious professional group such as the army | 0.01 | 0.872 | 0.14 | 0.096 | **7** | 0.043 | 0.09 | 0.310 |
| The opportunity to work as part of a prestigious team of soldiers | -0.08 | 0.343 | -0.10 | 0.242 | -0.11 | 0.212 | **0.17** | 0.049 |

Note:
$r_s$ – Spearman correlation coefficient; $p$ – test probability; ▇ – values statistically significant are marked in bold and on a green background, the threshold is set at a $p$-value of 0.05.

Source: own empirical research.

The analysis showed positive and weak correlations between the strategic outlook rating and the military's mission and values, as well as the military's strong capacity to grow as an organization. This result means that the higher the strategic capability was rated, the higher these two factors were ranked. The organization and management perspective was weakly and negatively correlated with being a commander in an elite professional group such as the army. This result indicates that the higher the perspective was rated, the lower the factor of being a commander was ranked. Positive and weak correlations were recorded between the evaluation of the perspective of the position and the opportunity to work in a prestigious team of soldiers – the higher the perspective of job security was evaluated, the higher was the opportunity to work in a prestigious team of soldiers in the ranking. For the other factors, there was no correlation with the rating of the military as an employer in the SSWE&JS model.

In 2023, observations of soldiers who incorrectly completed this part of the questionnaire (n = 24) were excluded from the analyses. Twenty individuals (12.2%) did not complete this part of the questionnaire. For the correlation analysis, the variables that distinguish the military as an employer were recoded similarly to the conversion done for the data collected in 2019. So, again, now 1 means the lowest rate and 12 the highest. The results of the analyses are shown in Table 12.

The analysis showed positive and weak correlations between the rating of belonging to an elite professional group, strategic perspective, organizational and management perspective and job security perspective and the mission and values of the army. Such a result means that the higher the mentioned aspects of the army's assessment were rated, the higher the mission and values assessment was ranked. Membership of an elite professional group correlated negatively and weakly with the attractiveness of financial and non-financial fringe benefits –

this means that the higher the membership of an elite professional group is rated, the lower the attractive benefits are ranked. For the other factors, there was no correlation with the rating of the army as an employer.

**Table 12.** The results of a correlation test for the selected variables from the model of SSWE&JS in Military's Peacetime collected in 2023

| Variables | Belonging to an elite of professional group | | Strategic potential of the army | | Organization and management in the army | | Job security | |
|---|---|---|---|---|---|---|---|---|
| | $r_s$ | $p$ | $r_s$ | $p$ | $r_s$ | $p$ | $r_s$ | $p$ |
| The army's mission and values | **0.23** | 0.012 | **0.22** | 0.017 | **0.19** | 0.033 | **0.21** | 0.024 |
| Attractive financial and non-financial fringe benefits (e.g. basic salary supplements, military pension scheme) | **-0.22** | 0.017 | 0.16 | 0.074 | 0.17 | 0.067 | 0.12 | 0.206 |
| Note: $r_s$ – Spearman correlation coefficient; $p$ – test probability; ▮ – values statistically significant are marked in bold and on a green background, the threshold is set at a $p$-value of 0.05. | | | | | | | | |

Source: own empirical research.

Generally, it can be said that the results of the survey show that the mission and values of the army make it stand out among other employers in both periods. The time of the pandemic and the war in Ukraine have definitely influenced soldiers' appreciation of the additional financial and non-financial benefits that the military has introduced during this time, an interesting and challenging workplace and career opportunities: gaining more military ranks and positions. According to the author, this is the result of the changes in the SZRP introduced after 2015, related to the almost complete replacement of managerial staff and the introduction of a number of new incentive benefits. In addition, the Homeland Defense Act, signed in March 2022, introduced a development perspective for the ranks corps and a declaration of modernization and development of the SZRP. What has definitely changed negatively is being a commander in a prestigious professional group such as the army and the possibility of working in a prestigious team of soldiers. Thus, the prestige of the soldier's profession and its value on the labor market in the face of challenges have definitely decreased.

## 5.5. Summary and Final Conclusions

**The main goal of this chapter** was to identify, analyze, and evaluate the activities that contribute to shaping soldier work engagement and job satisfaction (SSWE&JS) within a military organization such as the Polish Armed Forces during peacetime, although in two combined specific contexts: pre-pandemic and near-border pre-war, as well as pandemic and near-border wartime. Additionally, the chapter aimed to interpret the identified phenomena from the

perspective of the human-centric management paradigm and also to formulate practical recommendations for the military organization under study. Regarding the activities contributing to SSWE&JS in two contexts, it can be considered that the goal in this respect has been achieved. As for their interpretation and guidelines for organizational practice, they will be provided here.

The research findings from the chapter reflect a significant shift towards human-centric practices within the Polish Armed Forces, suggesting a transformative approach in how military organizations address the needs and well-being of their personnel. The emphasis on adjusting human resources policies to better suit the conditions faced by soldiers during both peace and wartime highlights the organization's commitment to integrating a human-centric paradigm into its core operations. This is particularly noteworthy given the traditionally rigid and hierarchical structure of military organizations.

The dual context of the pre-pandemic and wartime scenarios provided a unique lens to evaluate how well the Polish Armed Forces adapt their strategies to safeguard and enhance soldier engagement and satisfaction. The positive adjustments made in response to the COVID-19 pandemic and the conflict at the border show a proactive stance in ensuring that the soldiers' needs for safety, mental health support, and operational readiness are met effectively. This indicates a move towards a more adaptive and soldier-focused HRM strategy, which is a hallmark of human-centric organizations.

Moreover, the ongoing professionalization of the army, as indicated by the shift from compulsory to professional service, underlines a strategic effort to align more closely with human-centric principles. This transition not only aims to improve operational efficiency but also to enhance the personal and professional development of the soldiers. Such changes are crucial in creating an environment where soldiers feel valued and supported, thereby increasing their loyalty and commitment to the organization.

The efforts to maintain high morale and job satisfaction among the soldiers through various HRM initiatives reflect a nuanced understanding of the psychological impact of military duties. By focusing on creating a supportive and engaging work environment, the Polish Armed Forces demonstrate their recognition of the importance of human elements in sustaining military efficacy. This approach not only boosts the operational capability but also ensures that the military can serve as a robust, resilient, and human-focused organization.

Despite the identified positives in the Polish Armed Forces' adoption of human-centric practices, the research also uncovers certain weaknesses in the current implementations. These shortcomings reflect areas where the military organization may still be struggling to fully align its operations with the principles of a human-centric paradigm.

One noticeable weakness is the inconsistency in the application of these human-centric practices across different units and commands within the Armed Forces. While some units exhibit a strong commitment to enhancing soldier welfare and engagement, others may lag behind due to varying leadership styles and the entrenched traditional military culture that resists change. This inconsistency can lead to uneven experiences among soldiers, where some

may feel highly supported and valued, while others do not perceive the same level of concern for their personal and professional well-being.

Furthermore, although there are efforts to improve the engagement and satisfaction of soldiers, the high-stress nature of military duties, especially in operational contexts, often overshadows these efforts. The pressure to maintain high readiness and operational effectiveness can sometimes lead to the deprioritization of initiatives aimed at improving work-life balance and reducing job stress. This creates a paradox where, despite knowing the importance of soldier well-being, the exigencies of military operations frequently take precedence, thereby undermining the long-term effectiveness of human-centric strategies.

Another area of concern is the feedback and communication channels between soldiers and higher command. While there are mechanisms in place for soldiers to express their concerns and feedback, there often exists a gap in how this feedback is utilized to make tangible changes. The hierarchical nature of military organizations can hinder the flow of honest feedback from lower ranks to the top echelons, which can stifle improvements and slow the pace at which human-centric practices are adopted and refined.

Additionally, the pace at which new HRM policies and initiatives are rolled out and the training provided to ensure their effective implementation can sometimes be inadequate. Rapid changes without sufficient training and adaptation periods can lead to confusion and a lack of proper adherence to new policies, reducing their potential impact on soldier engagement and satisfaction. This gap between policy introduction and effective implementation highlights a crucial weakness in ensuring that the intended benefits of human-centric practices are fully realized.

In the context of the research findings and challenges identified above, the following recommendations can be formulated to both address existing shortcomings and reinforce successful practices within the Polish Armed Forces. These recommendations are intended to enhance the current human-centric practices, while also ensuring that successful strategies are sustained and even expanded, based on shaping soldier work engagement and job satisfaction. The recommendations are as follows:

- Promote the values of ethics and professionalism by implementing training and education programs that emphasize the importance of ethics, honor and professionalism in military service. Encouraging behavior consistent with ethical military standards, which fosters pride in service and enhances respect for soldiers as a professional group.
- Increase transparency of operations by defining clear strategic objectives and action plans to be promoted both within military units and internationally. Regularly informing soldiers of progress towards these objectives will increase their confidence in the Armed Forces' impact on the environment.
- Improve management processes by introducing effective procedures for planning, organizing, executing and evaluating tasks in military units. Providing adequate logistical, training and psychological support to soldiers, which will contribute to satisfaction with service processes.

- Provide comprehensive care for soldiers and their families by ensuring that soldiers and their families have access to medical, social, housing and educational support. Establish support programs to enable soldiers and their families to enjoy a variety of benefits, which will result in tangible benefits from serving in the unit.
- Develop specialized training programs for all leadership levels to ensure uniform application of human-centric practices across various units. This approach aims to address the current inconsistencies and deepen leaders' commitment to enhancing soldier welfare and engagement.
- Establish robust and transparent feedback systems that enable honest and constructive communication from the lower ranks to higher command. This will help close the gap in feedback utilization and enhance the responsiveness of military management to on-the--ground realities.
- Implement regular monitoring and evaluation of HRM policies and initiatives, adapting them based on real-time feedback to ensure that they meet the evolving needs of soldiers effectively.
- Continue to provide and expand comprehensive support for soldiers and their families, covering additional welfare areas such as mental health and career development, thereby enhancing their overall well-being and readiness.
- Maintain the emphasis on ethics and professionalism within the military, reinforcing this through continuous training and the celebration of exemplary behavior, to strengthen the moral foundation of the armed forces.
- Keep a transparent communication about strategic objectives and operational progress, both internally within the military units and externally, to foster trust and ensure a clear understanding of mission goals among all stakeholders.
- Identify and share best practices in soldier engagement and satisfaction across different units, leveraging successful strategies to achieve a more cohesive and effective approach to human-centric management in the military.

In conclusion, the research highlights the Polish Armed Forces' significant strides towards adopting a more human-centric organizational model, emphasizing the well-being and professional growth of its personnel. This evolution positions the military not only as a defense entity but also as a progressive and adaptive organization, illustrating the feasibility and necessity of such an approach in the modern military context. However, the findings also identify critical areas needing improvement, particularly the need for consistent application of human-centric practices across all units and the enhancement of feedback mechanisms to better capture and address the concerns of soldiers. Addressing these challenges is crucial for the Armed Forces to fully realize the benefits of a human-centric approach, offering a strong foundation for other military organizations aiming to incorporate similar strategies in their operations.

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# Chapter 6

## Managing Knowledge Worker Turnover in Small and Medium-sized Enterprises in Times of Human-centric Management

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## 6.1. Introduction

The significance of knowledge for the functioning and development of contemporary organizations is undoubtedly one of the pivotal issues addressed both in academic research and in practical business solutions. This topic was partially explored in Chapter 3, focusing primarily on HRM knowledge transfer in multinational companies. Building on this foundation, the current chapter shifts the spotlight to another crucial aspect of knowledge management—specifically, the management of knowledge worker turnover in small and medium-sized enterprises (SMEs). This transition from a broad organizational context to a more concentrated focus underscores the essential role of knowledge workers as critical assets within SMEs, whose turnover can significantly impact organizational continuity and innovation.

In an era marked by rapid technological advancements and evolving economic landscapes, SMEs face unique challenges in sustaining their competitive edge. Central to these challenges is the management of knowledge workers, whose roles are fundamental due to their expertise and the innovative outcomes they drive (Byukusenge et al., 2017). This chapter delves into the importance of managing turnover among these critical employees within the framework of human-centric management, which prioritizes the well-being and development of individuals at the core of organizational strategies.

The significance of managing knowledge worker turnover stems from the vital role these individuals play in the ideation, development, and execution of innovative solutions that can significantly affect a company's performance and survival in the market. Knowledge workers are not only repositories of specialized knowledge and skills but are also key drivers of a company's adaptability and growth (Yeboah, 2023). Their departure not only incurs direct recruitment and training costs but also leads to intangible losses such as diminished institutional memory, disruption of team dynamics, and potential erosion of customer relationships (Lipka, 2021).

In the contemporary business era, often referred to as human-centric, the focus shifts from viewing employees merely as resources to recognizing them as integral stakeholders with unique needs and potentials (Juchnowicz, 2014). This paradigm emphasizes the importance of aligning organizational goals with employee aspirations to foster a mutually beneficial environment. Managing turnover effectively in this context involves not just retaining skilled personnel but also ensuring their engagement and satisfaction, thereby enhancing their productivity and loyalty to the organization.

In the above context, **the main goal of this chapter** is to identify and evaluate methods of managing turnover among knowledge workers in SMEs, interpreting these phenomena through the lens of the human-centric management paradigm.

## 6.2.  The Theoretical Framework for the Study

As we delve into the theoretical framework of this study, it is crucial to contextualize the role of knowledge workers within the broader spectrum of human-centric management. This approach not only focuses on the strategic incorporation of human resources but also emphasizes recognizing and nurturing the unique capabilities that knowledge workers bring to an organization. Understanding the complex interplay between these workers' skills, their autonomy, and the innovative outcomes they drive, offers invaluable insights into crafting management practices that are not only effective but also supportive of the human elements at the core of organizational strategies.

In the subject literature, numerous definitions of knowledge workers can be found. Some emphasize the importance of education, others the role of their characteristics or their participation in certain processes. These discrepancies are the result of different experiences and perceptions of the authors, and also emphasize the complexity and breadth of the term in question. One of the more frequently cited definitions of a knowledge worker is that formulated by T. Davenport. According to him, knowledge workers have high degrees of expertise, education, or experience, and the primary purpose of their jobs involves the creation, distribution, or application of knowledge. In short, as he emphasizes, they think for a living (Davenport, 2008, 217). The cited author points out that knowledge workers differ from white-collar workers in that they not only process data through thought processes, but also analyze it, understand it and create qualitatively new knowledge. They need to effectively use and

constantly update their knowledge. Their work is by definition innovative - the problems they solve and the opportunities they exploit are completely new (Łysik, 2011, 57).

Problems in attracting knowledge workers and talent are mainly due to the rising cost of recruiting these employees and the difficulty in identifying them (c.f. Miguélez and Moreno, 2014; Yigitcanlar et al., 2007). Nor is it an easy task to retain these types of employees in an organization (Idrees, 2023), which is mainly due to their strong sense of independence and need for autonomy (Darr, 2003; Väänänen et al., 2020).

The high level of mobility of knowledge workers is derived from professionalism based on individual competencies, perfection in action and intellectual activity. The time and place of work provision are no longer relevant, as the knowledge workers, with the means of communication and connectivity, as well as the sought-after competencies, can work anywhere (Morawski, 2005, pp. 204-207). It is the organization that is more interested in the knowledge and experience they possess than the workers themselves, who do not need a specific institution to develop their careers (Jemielniak and Koźmiński, 2008). This mobility and independence make retaining such valuable employees a critical challenge for organizations (Gupta, 2023). Embracing a human-centric management approach allows organizations to effectively address these challenges by fostering a supportive environment that values and leverages the autonomy and mobility of knowledge workers.

Managers' efforts to reduce excessive turnover, therefore, should focus particularly on employees whose loss can be a problem for the organization and cause it additional costs. A. Lipka rightly points out that the key issue here is the risk of losing knowledge that is essential for the company to maintain its competitive position – knowledge is the so-called risky (at-risk) value, associated with the specific people who possess it. Consequently, the literature advocates for knowledge-oriented turnover management (Lipka, 2021). For organizations striving to be human-focused, this emphasizes the importance of creating a work environment that not only values the unique contributions of each knowledge worker but also actively engages in practices that promote their well-being and professional fulfillment, thereby mitigating the risk of losing invaluable human assets.

Knowledge being a source that can be constantly renewed, expanded, multiplied is a resource of the highest quality and importance for any organization operating in the modern economic reality. Importantly, knowledge today is treated as a product that, in addition to material goods, can contribute to the creation of specialized know-how, innovations or inventions in the enterprise (Byukusenge et al., 2017). Thus, knowledge has become the most sought-after commodity and capital, and the efficient use of knowledge already possessed by the organization and the creation of conditions for its development translates into market success for the company (Yeboah, 2023).

After all, it is the employees with knowledge and qualifications who are now capital that is much more valuable than financial and physical capital (Juchnowicz, 2014). Recognizing this potential by managers, especially at higher levels, allows for the development of human capital and retention of the most valuable human resources in the company (Stor, 2022). The manager, on the one hand, should take care of favorable conditions for employees, aimed at not only

retaining, but also attracting people with expertise to the organization (Stor, 2019). On the other hand, an important task for him or her is to develop values, working conditions and facilities not only within the structure of the organization itself as part of internal employer branding, but to take measures to build a positive image of the organization externally through external employer branding (Stor, 2023, pp. 249-252). Such focused efforts in employer branding play a pivotal role in reinforcing the organization's appeal to current and prospective employees, including knowledge workers (Wojtaszczyk, 2012). In times of human-centric management, these efforts are crucial to fostering a culture that not only attracts but also sustains top talent by aligning organizational practices with the personal and professional aspirations of employees.

When looking for tools to manage turnover, special attention should be paid to two elements that determine success in retaining valuable employees in an organization. These are communication (Erickson, 2015) and employee motivating (Lee et al., 2022) which have a direct impact, both on the management of the team to achieve the goals of the organization, as well as on the commitment, loyalty and desire to stay and work in the chosen enterprise. The concept of communication in a modern organization should be considered multifaceted - because it is related to all functions of management: planning and organizing activities, motivating employees to work effectively and exercising control over human resources at the disposal of the organization (Penc, 2010, pp. 113-114). Well-planned communication in an organization permeates almost all areas of company activities, directed to the inside and outside of the organization, and is closely linked to the company's personnel strategy and the level of turnover. There is always a feedback loop between the operating strategy of any organization and its communication scenarios: communication builds or inhibits the implementation of the strategy, and the organization's strategy determines the style of communication, strengthening or weakening its effects (Shimizu, 2017). Organizations that focus on the human aspect in their management understand the importance of interpersonal communication in social and organizational relationships for the success of their businesses.

The responsibility for shaping the level of turnover in an organization rests particularly with management. Mistakenly, in most cases it is only the HR department that is charged with this task. It is up to managers to retain employees in the company. Skillfully using the tool to shape, or rather retain, valuable, competent employees, managers can effectively control the level of turnover (Naz et al., 2020). To steer turnover in a positive way – to retain employees who are valuable to the organization – managers, when selecting techniques and tools, can follow the *four C's keepology,* where the key four qualities are (Branham, 2001, p. 17):

- caring,
- commitment,
- creativity,
- common sense.

The *Give and Get Back* approach has also been developed in response to the growing interest in issues related to how to retain employees in an organization. This approach shows

how to invest in employees so that it is a returnable and profitable investment. It refers to the use of non-salary motivation measures, which should be structured in three stages, such as (Rychwalska, 2010, p. 80):

■   identification of key employee needs,
■   building an image as an employer of choice,
■   proper selection for the job and a planned development path.

Identifying the key needs of employees focuses on determining the basic expectations of the employee from the employer, who should develop rules for motivating and effectively developing an individualized career path. Of key importance here is the process of motivating employees. The influence on employee motivation is present in the organizational environment and in the process of human resource management at virtually every stage of the life of an enterprise - employees recruited to the organization are motivated, motivating systems are created to achieve the goals set by the organization and the personal development of employees, and finally people are encouraged to stay with the organization (Martin, 2020). Without motivating incentives, or rather, a deliberately planned incentive system, an organization cannot expect people to work productively, to be committed and to remain in an employment relationship with the chosen organization. The most effective motivator, studies have shown, is the job itself, as long as it is in line with the employee's competencies and interests, as it allows for self-improvement and professional and intellectual development. In addition, it is a strong element that builds an employee's loyalty to the company and an important argument against leaving the company, for example, if a competing company tries to take over an employee (Kopertyńska, 2009). For an organization to attract and retain highly competent individuals, it is indispensable to create particularly favorable conditions for them to work, to be recognized, to feel a sense of influence on the organization's activities, and finally - to be motivated. In this context, a special role, if not the leading one, is played by the manager-leader, who should present an integrative-flexible style of HRM, devoting special care to the area of building positive relations with employees. Studying the needs of employees is also important in the context of managing turnover. As R. Cynk explains, if you want to stop employees from leaving the company, you must first examine what are the reasons influencing such a drastic decision. She suggests that if the motives are beyond the organization's control – they should be accepted, because nothing can be done about them. However, any other factors influenced by the organization should be thoroughly analyzed and judged to assess whether valuable people are leaving the company due to management negligence (Cynk, 2016, s. 73).

Being an organization where people want to work, or what is known as a good employer image, is another challenge. Managers play a crucial role here. Their tasks include building and spreading an employee-friendly organizational culture and creating the image of an employer of choice. Observations of the labor market show that traditional methods of motivating employees are not enough to satisfy employees (Rakowska, 2020) – the high degree of diversity in society makes it almost impossible to use uniform tools to influence employees (Cewińska

and Mizera-Pęczek, 2017). With the help of organizations in retaining valuable employees comes *employer branding*, which according to A. Baruk means the totality of a company's internal and external activities related to managing the social potential of the organization, shaping its size and structure, and improving it by creating favorable conditions for employees' involvement in the company's activities and increasing its market efficiency, as well as attracting the right employees from the labor market (Baruk, 2006, p. 13). Similarly, M. Stor assumes that employer branding, also called employer brand management, is a set of activities the organization undertakes with the intention of promoting, distinguishing, and preserving its image on the internal and external labor market as an attractive and preferred employer, and thus, focused on current and potential employees to acquire and retain the right people in the organization, thanks to whom the organization is able to realize its goals and strategies. Hence, the idea is to become an employer of choice (Stor, 2023, p. 252).

In the above context, the purpose of *employer branding* is to build a consistent and positive image of the company as an employer in the opinion not only of the company's employees but also of key candidates in the labor market. Employer *branding* activities can include introducing an employee to the company, the recruitment process itself, health care, benefits and bonuses, organizing teambuilding trips, publishing company newspapers and investing in human capital, such as training. In order to develop employer branding in the company, it is also important to delegate authority and empower employees, and allow them to participate in the life of the company (Wojtaszczyk, 2012).

Unfortunately, there are still employers who mistakenly believe that the role of the employee is only to fulfill the task assigned to him or her so as to bring profit to the company – termed 'toxic', treating their staff only as a necessary part of production, on a par with machines and other production technology. People will never want to work with such leaders, no one wants to be treated as an object. Creating the image of an attractive employer worth working for and staying with the organization undoubtedly requires (Stuart-Kotze and Dunn, 2011, p. 14):

- creating a climate of trust and openness,
- two-way flow of information,
- equal development opportunities for employees,
- optimism and empathy,
- high degree of job security,
- empowerment of employees' decision-making competency (*empowerment*).

Referring to the previously mentioned organizational communication and employee motivation, both would be ineffective without the trust that employees and managers must have in each other for the former to want to stay in the organization (Kujala et al., 2016). This is because the formation of a culture of trust fosters not only greater productivity, but above all a willingness to share knowledge and build a sense of community with the organization – of being a real, full-fledged member, which consequently determines staying within its structures

(Jabeen and Isakovic, 2018). After all, in an atmosphere of understatement, conjecture, lack of open communication between employees and manager, it can lead not only to a decrease in the quality of work but even lead to a decision to leave the company. To create an atmosphere of trust in the team, the leaders themselves should set an example of a trustworthy person. The interdependence of team members in achieving the set goals should be emphasized. The leader should instill in individual team members a sense of commitment and connection to the team (Stuart-Kotze and Dunn, 2011, p. 167). This mutual trust increases motivation to work and the desire to stay in the organization. Building mutual trust within an organization is especially crucial if the organization aims to truly embrace human-centric management, rather than merely creating a facade of such an approach.

The final element in the "Give and Get Back" concept is the right selection for the job and a planned development path. To ensure a successful retention system, a well-thought-out personnel strategy must be in place and consistently implemented. The work begins even before the knowledge worker is hired. Recruitment and selection of employees should be carried out according to previously thought-out criteria – it is necessary to know exactly who the company is looking for, what competencies the employee must have or what predispositions he or she should manifest (and in what intensity). It is estimated that "turnover costs are 30% to 200% of an employee's annual salary (Spychała et al., 2019, p. 166). Since the cost of employee departure is so high, every organization should take special care of its internal stakeholders.

It also falls on managers looking to reduce negative turnover to continually invest in employee development. This is another of the tools for reducing turnover in an organization. Training should take different, individualized forms, tailored to the needs of employees. The most beneficial are training courses organized by the employer related to the specifics of the company's operations. They have an impact on increasing the satisfaction and decreasing the fluidity of the staff. It is important to select training courses in terms of their usefulness only for a given organization. Investing in training is a signal that the employer cares about the employee. In addition to traditional forms of training, an interesting alternative for developing knowledge and competencies is to work with managers on a *managerial* coaching basis. Managerial coaching is mostly understood as a management style that requires both preparing managers to combine the role of a coach with that of a manager and training them to apply coaching procedures, techniques and tools at specific points in their work with their subordinates (Czarkowska, 2011, p. 53). The coach/manager is tasked not only with directing the work of subordinates, controlling performance and motivating committed work, but also with developing employees' competencies in the social, communication and technological areas. All of this supports the organization in building foundations for human-focused management.

Finally, a tool for regulating turnover are procedures for when employees leave the organization. The effect of not having procedures is to lose an opportunity to retain a valuable person, acting under the influence of emotion or treating the departure of a talent like any

other resignation of an employee, which shows the shortcomings of the HRM strategy (Czarkowska, 2011, p. 124). A common behavior on the part of employees is to communicate their desire to leave in order to trigger a response from the employer. Pre-prepared procedures make it possible to react in such a situation in a structured way – to undertake negotiations and talks aimed at explaining the reasons why the employee wants to leave the company and to launch actions aimed at retaining him or her. Moreover, such procedures allow for self-reflection aimed at making a diagnosis – why such a situation occurred and how to prevent it in the future.

Fluctuation in an organization cannot be prevented, however, by using tools and techniques tailored to the specifics of the company, it is possible to reduce its level. It should be emphasized that only a strategic approach to managing turnover, as part of a personnel strategy, is able to prevent employees from leaving and the need to hire new people. However, these tools should be used systematically to counteract mass departures in a timely manner.

Summarizing, effective management of knowledge workers within a human-centric framework entails recognizing their unique contributions and nurturing an environment that supports their professional growth and autonomy. Key practices such as strategic communication, personalized development programs, and a strong focus on building trust are crucial. These elements not only help retain these valuable employees but also contribute significantly to sustaining organizational competitiveness.

## 6.3. The Methodics of the Conducted Empirical Research

The empirical research presented in this chapter of the monograph involved a survey of owners and managers of small and medium-sized enterprises, as well as a case study based on interviews conducted in one such company. Both the survey and the case study are part of the author's doctoral dissertation and are aimed at developing a knowledge worker retention tool tailored to the specific operations of small and medium-sized enterprises. Hence, for the purpose of the study discussed here, the author used selected elements of interviews and surveys that address the issues raised in this chapter, and which enable the achievement of the chapter's stated goal.

The survey was conducted among owners and managers of small and medium-sized enterprises operating in the Greater Poland (a region placed in west-central Poland, originally named "Wielkopolska" in Polish language). The sample 55 companies. The survey tool consisted of 19 questions. To develop the tool, selected questions were used from the tool for surveying methods of managing knowledge workers in small and medium-sized enterprises developed by M. Morawski (2009) and the ERC survey on talent management practices (Talent Management…, 2012). To better align with the chapter's goal, three questions from the research questionnaire were used regarding the identification of risks in the enterprise, knowledge worker turnover, and the methods and tools for managing knowledge workers, as well as the benefits offered.

The case study was conducted using in-depth interviews with the CEO and an HR and payroll specialist, and a focus group interview with knowledge workers. The object of the study was a manufacturing company with 60 employees, headquartered in Eastern Wielkopolska, operating in the market for more than 20 years. The research was conducted in accordance with the methodical guidelines according to a scenario prepared in advance. The interview excerpts to be referred to in this chapter are aimed at obtaining detailed information about the problem and the scale of knowledge worker turnover, as well as gaining insight into the company's ways of dealing with the negative effects of this phenomenon. On the other hand, the focus group interviews with knowledge workers were aimed at assessing the company's tools for reducing turnover for this group of employees.

## 6.4. The Empirical Research Findings

The survey revealed that companies identify personnel risks related to knowledge worker turnover (94.55% of companies). For 98.18% of those surveyed, both knowledge worker retention is a major challenge and knowledge worker turnover is a major problem for 96.36% of enterprises. Given the scale of the problem, the enterprises are taking activities to retain knowledge workers using different management methods and tools. In addition, they use different management methods and tools for this specific group of employees than those used for the rest of the workforce. As for the activities undertaken by the surveyed companies to counteract knowledge workers turnover, the results obtained in this area are presented in Figure 5.

The survey results shed light on the most common activities undertaken by companies to counteract turnover among knowledge workers, illustrating a strong focus on employment stability and professional development. Offering employment contracts for an indefinite period and increasing employee responsibilities were each reported by 98.2% of the surveyed companies, emphasizing a commitment to job security and expanding roles to retain skilled workers. Furthermore, 96.4% of companies promote a clear pathway for career progression, recognizing that opportunities for advancement are critical for motivating knowledge workers. Direct contact with supervisors, indicated by 94.6% of companies, along with praise from supervisors, noted by 92.7%, highlight the importance of supportive management and regular feedback in maintaining employee satisfaction and loyalty. Additionally, 90.9% of firms stress the value of independence on the job, suggesting that autonomy is a key factor in fostering a fulfilling work environment that can help reduce turnover rates. These represent the six most frequently indicated actions taken by companies in the survey.

Moving on to the analysis of the selected case study, it is important to note that although there is no formal definition of knowledge workers in the surveyed enterprise, they are referred to as key employees. The terms obtained from respondents in this regard are included in Table 13.
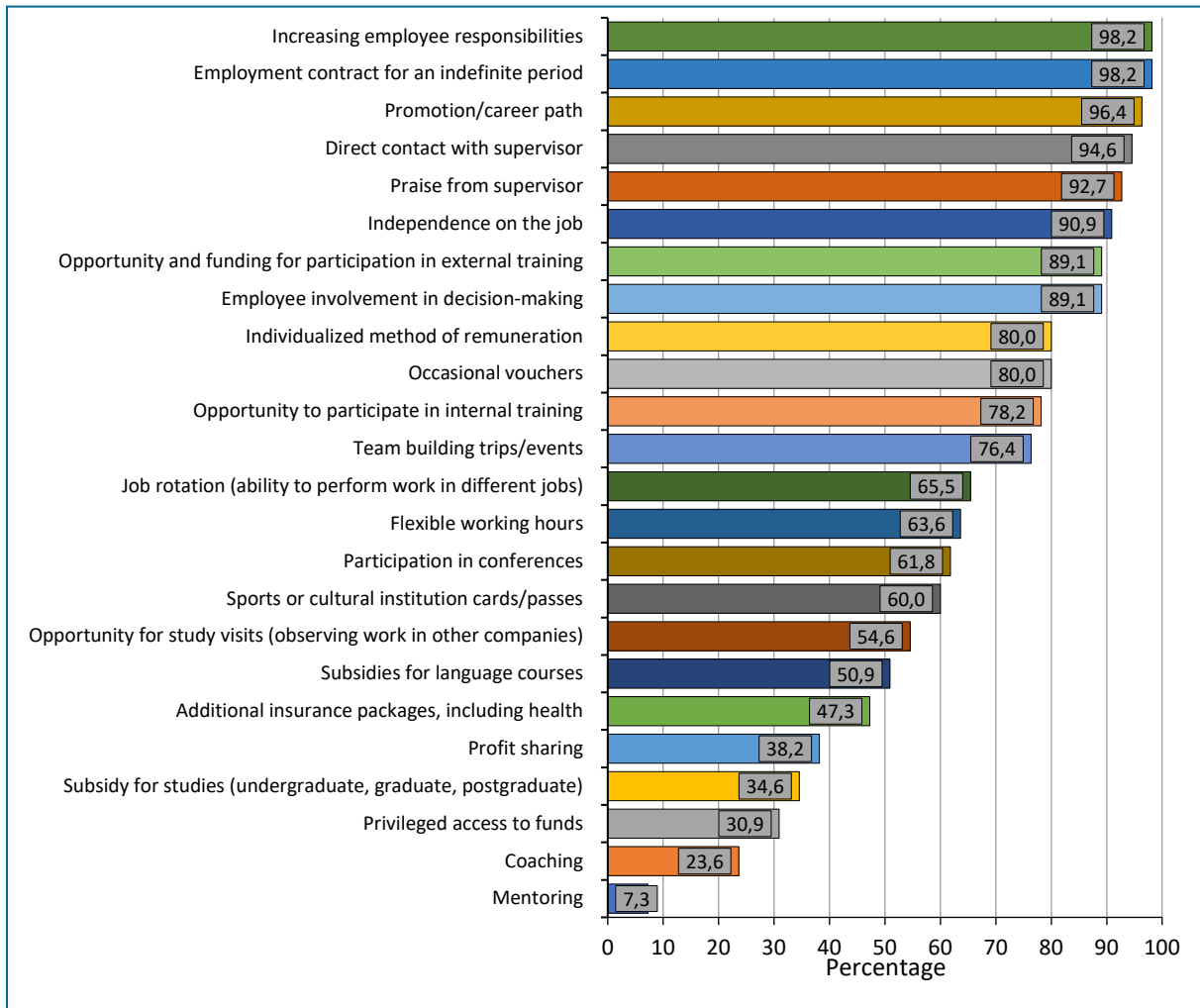
**Figure 5.** Activities undertaken by enterprises to counteract knowledge workers turnover

Source: own empirical research.

**Table 13.** Respondents' descriptions of key employees

| Analytical unit | Respondent's statement |
|---|---|
| [CB] | „we have a group of employees in the company who are extremely valuable to me, because thanks to them I can achieve the goals of my company." „(...) all employees who are valuable to me hold key positions, and all other employees know that this is the case." |
| [SPEC] | „So, after analyzing these descriptions here, I believe that all these qualities are possessed by employees who hold managerial positions in our company, and they are counted among the key employees for the owners of the company. The owners consult with them on the most important issues, they very often participate in meetings with the owners of the company. This group is directly informed by the owners about long-term plans and business strategy." |
| Note: [CB] – chairperson of the board; [SPEC] – human resources and payroll specialist. | |

Source: own empirical research.

The surveyed company has a problem of knowledge workers turnover, but the company is unable to determine the size of the problem because it does not measure turnover rates. However, it indicates that employee turnover is a large and important problem, and it has vacancies for knowledge workers due to the difficulty of acquiring them. The main statements in this regard are presented in Table 14.

**Table 14.** Respondents' views on turnover measurement

| Analytical unit | Respondent's statement |
|---|---|
| [CB] | „(…) we do not analyze employee turnover quantitatively". „(…) all the time I am accompanied by the fear that I might lose the employees who form the core of my company". „(…)Acquiring knowledge workers is a problem for the company". „(…) I personally ‚shop around' in the job market and initiate conversations with employees of other companies in an effort to encourage them to work for my company." |
| [SPEC] | „(…)No. The company does not examine any indicators related to employees". |
| [PW2] | „(…) I think the chairman calculates all the time whether any of us wants to change jobs, that someone from the competition will intercept us. There have been situations like this, and there have been times when a person's opinion did not change after talking to the chairman." |
| Note: [CB] – chairperson of the board; [SPEC] – human resources and payroll specialist; [KW2] – knowledge worker 2. | |

Source: own empirical research.

Personnel processes directed at knowledge workers are implemented differently than for other employees. Personnel processes have not been written down in the company in the form of procedures, but according to the CEO, they have evolved significantly during the company's two decades of operation through self-improvement of his way of managing employees. The person responsible for the overall personnel policy is the CEO. The staff team also includes a human resources and payroll specialist whose main task is to prepare and maintain employee records, calculate salaries and monitor labor laws.

The workforce planning process is informally based on the dynamic needs of the company, without a structured workforce plan. It relies on requests from project managers who determine the number of employees needed based on project schedules and submit requests for additional staff if necessary. Similarly, directors of organizational units request new hires to fill vacancies due to employee departures, leaves, or new duties from organizational changes or legislative requirements. Ultimately, all hiring requests are directed to the CEO, who makes the final decisions. The CEO also has the authority to independently initiate the hiring process for candidates who meet specific competence expectations. This process applies uniformly across the company, though the hiring of knowledge workers is specifically initiated by the CEO.

The staffing process for knowledge workers at the company involves three main stages: recruitment, selection, and adaptation. Initially, the company actively recruits by posting

advertisements online and contacting universities, despite facing challenges in acquiring talent due to persistent vacancies. The CEO personally engages in recruitment efforts, signaling the company's readiness to welcome new talent at any time. During recruitment, profiles are created for candidates, announcements are published, and preliminary selections are made. Selected candidates are then invited for interviews, primarily conducted by the CEO for knowledge workers, which highlights the CEO's direct involvement compared to other roles where designated managers take over. Once hired, the adaptation process for knowledge workers is led by the CEO and includes mentoring and coaching. This stage ensures that new hires are well-integrated into the company's culture, learning about customers, procedures, and the broader organizational environment, with support from other knowledgeable employees. This streamlined process aims to efficiently bring on board and nurture key talent, aligning them closely with the company's strategic goals.

The company has a compensation system dedicated to key employees, which differs from that of other employees. Knowledge workers receive performance bonuses and bonuses for innovative ideas and new solutions. In addition, they receive an annual bonus at the end of the year depending on the company's financial performance. They also have privileged access to company cars and choose their own work tools in the form of computers or telephones.

The company also targets a group of knowledge workers with a number of non-salary motivation methods, the main purpose of which is to satisfy ambitions and create conditions for professional development. According to the CEO, these are necessary to retain the most important people in the company. Non-wage benefits offered to knowledge workers include:

- indefinite contract – the first contract concluded with the company is an indefinite contract, in this way, according to the CEO, the company sends a signal to the employee that this position in the company is privileged and bestows on this employee a "mandate of confidence";
- direct contact with the CEO, who is open to discussion and exchange of opinions, but above all tries not to interfere with projects if the project manager does not raise problems;
- the possibility of upgrading skills according to the current needs reported by knowledge workers, for example, by taking any training, postgraduate studies, or even doctorates in the form of implementation doctorates, which are particularly encouraged;
- leading or participating in innovative R&D projects (the company has the status of an R&D center and carries out internal R&D projects);
- autonomy and self-reliance in decision-making;
- opportunity for promotion according to the expectations of knowledge workers;
- praise given publicly at meetings of managers, board members and owners (including, for example, personal thanks in the forum of invited guests during organized conferences for company clients);
- participation in study tours, conferences, trade fairs;
- team-building trips intended only for key employees (including distant foreign trips in the form of excursions).

The performance of knowledge workers is not systematically appraised. Their formal performance appraisal takes place no more than once a year. Most often it takes place at the end of the calendar year when annual bonuses are paid. This performance appraisal is carried out personally by the company's CEO. During the interview, there was no clear answer to the question about the methods of such appraisal. Other employees also undergo irregular performance appraisals, but in some cases, these appraisals are formalized and documented using a performance appraisal sheet. These appraisals are conducted by direct supervisors. The results of the appraisals are then presented to the company's CEO.

Training for knowledge workers is initiated by the company's management or by the employees themselves. These include language, managerial and specialized/industry training. The organization and delivery of managerial and specialized/industry training are outsourced to external companies and take place outside the company.

**Table 15.** Respondents' views on financial motivations for employee departures

| Analytical unit | Respondent's statement |
|---|---|
| [SPEC] | „From my observations, the main reason is the search for better financial conditions." „There is always a conversation with the immediate supervisor or the CEO. We want to know why the employee wants to leave. If the company cares about the employee then it makes an effort to keep him." |
| [KW1] | „when someone is determined to leave, they don't necessarily want to explain themselves, so I don't know for what reasons a person leaves, but if you don't know what it's about, it's often about money." |
| Note: [SPEC] – human resources and payroll specialist; [KW1] – knowledge worker 1. | |

Source: own empirical research.

The surveyed company is taking steps to find out the reasons for employee turnover by inviting departing employees for a direct interview with the CEO, who wants to know the reason for the employee's decision. The main reason indicated by all interview participants was financial, as shown in Table 15.

## 6.5. Summary and Final Conclusions

**The main goal of this chapter** was to identify and evaluate methods of managing turnover among knowledge workers in SMEs, interpreting these phenomena through the lens of the human-centric management paradigm. Based on the empirical research discussed in this chapter, this goal has been achieved regarding the identification of these methods. It is now pertinent to evaluate these methods and interpret them according to the promised human-centric perspective.

Evaluating these methods from a human-centric management perspective reveals a comprehensive approach that includes more than just strategic communication, personalized

development programs, and a focus on trust and autonomy. The analysis indicates that effective human-centric management also heavily relies on employer branding efforts. These efforts are crucial as they help in shaping the organization's image both internally and externally, thus making the organization attractive not only to potential hires but also aiding in the retention of current employees by aligning organizational practices with their values and career goals.

Furthermore, engagement and motivation strategies are instrumental in this context. Beyond mere job satisfaction, these strategies are designed to tap into deeper levels of employee engagement where knowledge workers feel genuinely valued and see personal growth opportunities within the company. This includes providing meaningful work that aligns with their professional aspirations and personal values, which is a cornerstone of human-centric management. Additionally, the need for adaptive and flexible work environments is highlighted as particularly important for knowledge workers who value independence and may thrive under conditions that allow greater autonomy and flexibility. This adaptability not only caters to their work preferences but also enhances productivity and creativity, key traits of knowledge workers.

Comprehensive onboarding processes and continuous development opportunities are also essential components. Ensuring that knowledge workers are continually engaging with new challenges and learning opportunities helps maintain their interest and commitment to the company. Proper integration into the company's culture and ongoing professional development are thus fundamental for long-term retention. Simultaneously, performance management and feedback systems that are transparent and constructive also play a critical role in human-centric management. These systems help maintain clear communication and provide regular feedback, fostering an environment of continuous improvement and open dialogue, which is crucial for the retention of knowledge workers.

In conclusion, adopting a human-centric approach in the management of knowledge worker turnover in SMEs requires an integrated strategy that encompasses these elements. By effectively implementing these practices, organizations can ensure that they not only retain their most valuable assets but also enhance their overall competitiveness and sustainability in the business landscape. These efforts culminate in creating an organizational culture that is truly focused on humans, where the well-being and development of every individual are paramount. This approach not only supports the retention of key talent but also aligns with broader organizational goals, leading to a more cohesive and productive work environment.

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# Chapter 7

## Adapting HRM Practices for Generation Z with a Human-centric Management Approach to Mental Health and Employee Development

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## 7.1. Introduction

In Chapter 2, we explored employee loyalty and performance within human-centric organizations, highlighting how workplace environments and psychological underpinnings influence these dynamics. Building on the exploration of psychological impacts in organizational contexts as seen in Chapter 5, which examines the resilience and psychological commitment of soldiers during the pandemic and the war in Ukraine, and continuing through the discussion in Chapter 6 on managing knowledge worker turnover in SMEs, this chapter shifts the focus towards the specific needs and expectations of Generation Z employees. These sequential insights into the psychological aspects of employee management across different contexts underscore the importance of addressing psychological needs to enhance commitment and performance in varied employment scenarios.

In the modern business environment, a significant shift towards human-centric management practices is redefining the landscape of organizational behavior and human resources. This shift represents a move away from traditional, transactional management styles toward a more holistic approach that places the well-being and individual needs of employees at the

forefront (Contreras-Cruz et al., 2023). Such practices are not just about enhancing productivity – they are about creating a more fulfilling and empathetic workplace where employees feel genuinely valued and understood.

This transformation is critical in addressing the needs of the newest entrants to the workforce, Generation Z. As digital natives, these young workers bring new expectations into the workplace, including a demand for a balance between personal and professional life, a need for meaningful and ethically aligned work, and a preference for environments that prioritize their mental and emotional well-being. These expectations challenge organizations to rethink how they engage with their employees, emphasizing the necessity for human--centric HR practices that not only attract but also retain young talent.

We are entering a time when the humanistic aspects of human resources management (HRM) are becoming particularly important (Cooke et al., 2022). The youngest workers in the job market exhibit specific personal needs related to the workplace. The risk of excessive individualism, job turnover, lack of engagement in duties, or lack of recognition of leadership authority poses a serious threat to achieving organizational goals. Effective implementation of HR policies involves focusing attention not only on behavioral motivational aspects but primarily on humanistic aspects related to personal development and self-realization. It should also be sensitive to the psychological needs of the younger generation, especially those at risk of mental health issues.

Given these shifts towards a more empathetic, individual-focused approach and considering the unique needs and values of Generation Z, it becomes imperative to explore how HR practices must transform. Thus, **the main goal of the chapter** is to make preliminary findings on how HRM practices need to evolve to effectively address the unique characteristics and needs of Generation Z in the era of human-centric management.

## 7.2. The Theoretical Framework for the Study

In establishing the theoretical framework for understanding Generation Z within HRM, this section considers several critical issues. We explore the redefinition of mental health in a digital era, emphasizing the necessity of navigating online interactions and real-world connections for Generation Z's well-being. Additionally, the adaptation of HRM practices, such as training and development programs, must align with Generation Z's technological adeptness and communication preferences. The integration of their values—such as sustainability, social justice, and work-life balance—into HRM activities and strategies is essential for effectively engaging this young workforce in the human-centric management era.

Addressing mental health from the perspective of human-centric management is crucial because it directly influences the productivity, creativity, and overall satisfaction of employees, particularly those from Generation Z who are entering the workforce with new expectations and experiences. By prioritizing mental well-being within the framework of HRM, organizations not only enhance the personal and professional lives of their employees but also position

themselves to thrive in a competitive and rapidly changing business environment. This approach is essential as it aligns organizational goals with the well-being of individuals, thereby fostering a resilient and adaptive workforce capable of navigating the complexities of the modern world.

However, mental health is not simply the absence of illness but rather a continuous effort towards maintaining psychological well-being. While traditionally mental health has often been defined negatively as the absence of mental disorders, it is now increasingly understood as a positive state, encompassing the ability to cope with daily challenges, build positive relationships, make effective decisions, and achieve life goals (American Psychological Association, 2018).

The definition of mental health may evolve in the context of new generations, as the demands and challenges individuals face change (Rogozińska-Pawełczyk et al., 2019). For Generation Z, growing up in a digital environment, it may be important to consider the impact of social media and technology on their mental health. Therefore, the definition of mental health may expand to include the ability to cope with the negative influences of social media, manage screen time, and develop skills for building satisfying relationships in the virtual world (Mohite and Kulkarni, 2019). Furthermore, as society becomes increasingly aware of the importance of mental health, this definition may also encompass aspects related to self--acceptance, developing coping skills for stress, and building resilience (Molek-Winiarska, 2014). As a result, the definition of mental health is likely to evolve to better reflect the needs and challenges of new generations and changing social and cultural contexts.

In the context of Generation Z, who may rely heavily on digital communication, developing these face-to-face communication skills could be particularly relevant for their mental health and overall well-being (Ono et al., 2011). Thus, the definition of mental health may emphasize the importance of fostering authentic, in-person connections alongside digital interactions (Wentzel et al., 2016). This generation faces unique challenges in the digital age, including increased exposure to social media, cyberbullying, and academic pressures. Therefore, mental health initiatives tailored to Generation Z should focus on promoting resilience, coping skills, and healthy digital habits. Additionally, fostering open communication and reducing the stigma surrounding mental health issues are crucial for supporting the mental well-being of Generation Z (Borg et al., 2020).

Characterizing Generation Z from a psychological perspective, it's important to note that they commonly face identity crisis, difficulties with direct communication, habituation to strong perceptual stimulation, and on the other hand, issues with overstimulation and depressive tendencies (Całek, 2021). Furthermore, they hold specific values related to caring for nature, the climate, and the environment; show sensitivity to social injustice; treat work--life balance as a foundation, and exhibit individualism, creativity, and a strong ability to use technology. Work for them must be attractive and interesting. The younger generation perceives the opportunity to receive feedback on their duties as a key aspect of their work (Dolot, 2018). Guidelines for preparing a job position for the new demanding generation can be found by employers in extensive scientific publications regarding the ways and methods through which the younger generation learns (Shatto and Erwin, 2016).

During the learning process, the young generation requested feedback from their teachers (Dudek, 2017). Gen Z students are digital natives who prefer an independent learning style with less passive but more visual and kinesthetic learning. They also desire convenience and are open to honest feedback (Issacs et al., 2020). Gen Z students often lack developed in-person social skills, as they may struggle with the nuances and art of conversation. This deficiency in face-to-face communication skills has the potential to hinder their ability to connect socially (Chicca and Shellenbarger, 2018; Seemiller and Grace, 2016; Turner, 2015).

An important aspect is the cultural diversity of Generation Z individuals entering the Polish job market. The conflict on the eastern border, stemming from Russia's invasion of Ukraine, has led to Poland opening its borders to refugees. Additionally, borders have been opened to immigrants from African countries. Another group of potential employees consists of individuals who have chosen Poland as a location for studying and pursuing a career for reasons other than economic ones. Experiences of war trauma are significant and have serious consequences (Tehrani, 2004). Many Generation Z workers in Poland have faced the loss of loved ones or extreme circumstances (Hysa, 2016, p. 390; Steinerowska-Streb and Wziątek-Staśko, 2016, pp. 81-82).

Integrating mental health within human-centric management for Generation Z is crucial. This approach emphasizes authentic, face-to-face interactions to complement digital communications, enhancing emotional intelligence and resilience in the workplace. By fostering a supportive culture that addresses both digital and real-world challenges, organizations can align HRM practices with the unique needs of this generation, boosting engagement, innovation, and overall job satisfaction. This alignment helps businesses thrive by embedding human-centric organizational practices that adapt to a competitive, rapidly evolving market.

In the context of the characteristics of Generation Z that have been described above, a question arises about what all this means for HRM. To answer this question, we must first establish what HRM is. Until recently, it was most commonly understood that HRM refers to the policies, practices, and systems that influence employees' behavior, attitudes, and performance (Milkovich and Boudreau, 2019), and this was about such effective HRM practices that support business goals and objectives (Dessler, 2019; Noe et al., 2019). However, there is now an increasing emphasis on a capital-oriented approach to employees in an organization (Juchnowicz, 2014), and moreover, on viewing them as people, not just as organizational resources to be exploited. Additionally, there is a focus on considering a wider range of stakeholders (Ferrary, 2005) who are interested not only in the financial results of the organization but also in its impact on the management sphere and the social realm (Ferrary, 2009), even extending to the external environment (Stahl et al., 2020). Therefore, HRM is now defined, for example, as a set of configurationally tied activities that compose certain subfunctions of HRM, are oriented toward people in the organization, and are performed with the intention of transforming human resources into such human capital that when it's used in the organizational practice, it enables people to create value added in economic, managerial, and social spheres. And as for this added value, it contributes to the company's competitive advantage in the long term through the realization of its goals and strategies in a skillful,

effective, and efficient way (Stor, 2023a, p. 4). Such an understanding of HRM has been adopted in this chapter of the monograph. Adopting this definition of HRM is crucial for aligning with the unique attributes of Generation Z within a human-centric management framework. This approach recognizes employees as whole individuals, not merely as resources, addressing their complex needs and emphasizing their well-being and personal development. Such alignment not only boosts individual productivity and satisfaction but also enhances organizational adaptability and resilience, making it essential for engaging and retaining a generation that values meaningful and supportive work environments.

There are various interpretations of the form and content of HRM. According to some authors, it involves the processes of hiring, training, evaluating, and compensating employees, as well as addressing their labor relations, health and safety, and fairness concerns (Dessler, 2020, p. 39). Other scholars emphasize not the processes but the activities encompassed by HRM in areas such as strategic HRM; human capital management; knowledge management; corporate social responsibility; organizational development; recruitment, selection, and talent management; learning and development; performance and reward management; employee relations; employee well-being; and employee services provision (Armstrong and Taylor, 2014, p. 4). Additionally, some focus on behavioral and competency issues, defining HRM as the development and implementation of human resource policies and practices that generate the competencies and behaviors needed by a company to achieve its strategic objectives (Dessler, 2020, p. 52). Meanwhile, others adopt a functional perspective in discussing HRM, frequently using interchangeable terms like personnel function or HR function. This perspective views HRM as comprising activities organized into functions, which for consistency are termed subfunctions (see: Boxall et al., 2007; Dowling et al., 2017; Listwan, 2010; Pocztowski, 2018; Stor and Haromszeki, 2020). These subfunctions might include: staffing the organization, employee training, employee development, employee compensation (compensation & pay systems, benefits), employee performance appraisal, performance management, directing people, motivating employees, leading people, communicating with employees, competency management, talent management, employer branding, fostering employee engagement & job satisfaction, enhancing organizational commitment, promoting a positive workplace experience, and fostering employee well-being. In the realm of business, managerial staff organize these subfunctions in a coherent manner that enhances the company's overall performance and outcomes (Stor, 2023c). This comprehensive understanding of HRM highlights the necessity of integrating mental health initiatives as core components of human-focused business management. For organizations aiming to be human-centric, especially with Generation Z, this means creating environments where mental well-being is actively supported and promoted as part of daily business operations, directly contributing to enhanced employee engagement and overall organizational health.

The pivotal element of achieving success of the enterprise is the set of their employees (Wachowiak, 2019). Achieving success in implementing HRM activities is associated with several key factors:

- *Alignment with organizational goals.* Effective personnel policy should harmonize with the organization's strategic objectives. When personnel actions support business goals, it signifies success (Dessler, 2020; Gratton and Truss, 2003).
- *Efficiency in recruitment and selection*: A key element of personnel policy success is the proper selection of employees with appropriate qualifications, skills and competencies (Compton, 2009; Stor, 2024a).
- *Employee satisfaction and engagement*: High levels of employee satisfaction and engagement indicate the effectiveness of the personnel policy, as satisfied employees are more productive and loyal to the organization (Markos and Sridevi, 2010; Stor, 2024b).
- *Employee development and training*: Providing employees with opportunities for development and training contributes to increasing their skills and productivity, which is a significant aspect of personnel policy success (Armstrong & Taylor, 2014; Koval, 2015).
- *Effective employee performance appraisal*: The employee appraisal system should be fair, objective, and based on specific assessments. Effective employee appraisal enables the identification of areas for improvement and supports employee career development (Listwan et al., 2016; Stor, 2023b).
- *Employee retention*: Effective personnel policy contributes to retaining talent in the organization through proper management of compensation, development opportunities, and job satisfaction (Mitchell et al., 2001; Pocztowski, 2018).
- *Reduced employee turnover*: Low employee turnover indicates the effectiveness of the personnel policy, as it means that employees are satisfied and loyal to the organization (McEvoy and Cascio, 1985).
- *Sustainable organizational development*: Personnel policy should support sustainable organizational development, considering social, economic, and environmental aspects (Mishra, 2017).

From the points raised about the key factors in implementing HRM activities, it's clear that integrating mental health initiatives is critical for achieving broader organizational success. Aligning HRM with organizational goals means not only supporting business objectives but also enhancing the psychological well-being of employees. A focus on mental health contributes to employee satisfaction, engagement, and retention, which in turn reduces turnover and builds a more resilient workforce. Effective mental health strategies within HRM ensure that employees are not only productive but also happy and loyal, creating a sustainable and supportive work environment that nurtures both individual and organizational growth. This holistic approach is particularly important in a dynamic business environment where the well-being of employees is increasingly recognized as fundamental to long-term success.

## 7.3. The Methodics of the Conducted Empirical Research

In order to explore the needs of Generation Z in the workplace and their attitudes towards fulfilling them, interviews were conducted with qualified coaches working as internal trainers in various companies with more than 250 employees in Poland, as well as coaches and psychologists from external firms who worked with Generation Z individuals within the last six months.

The interviewees were asked about organizational solutions related to HRM, particularly to personal development programs and the possibility of individual coaching work. In in-depth interviews, they were also asked about noticeable problems faced by Generation Z employees, potential threats to organizations related to employing Generation Z individuals, as well as diagnosing individual needs in terms of Generation Z aspirations, needs, and specific skills. Additionally, the interviewees were also questioned about their personal attitude towards the youngest employees and coaching work with them. Finally, the coaches were asked to assess the effectiveness of these interactions in working with the youngest generation in the job market.

In-depth interviews were conducted with 19 participants, and the analysis of these interviews facilitated the formulation of hypotheses for quantitative research planned for the future. This paper presents the material from the conducted interviews, aiming to verify similarities in coaching experiences with Generation Z employees and to draw conclusions for the implementation of organizational and HRM developments in the future. The study focused on the needs, aspirations, and skills to simplify the understanding of the characteristics of Generation Z, so that the data from the collected interviews could be helpful for future personnel policy planning and building the organization's image in this regard. Focusing on competency aspects, although some described categories are undoubtedly related to them, could create unnecessary clutter due to differences in purposefulness.

## 7.4. The Empirical Research Findings

The interview results based on the questions asked are presented in Table 16 as a matrix composed of two sets. The first set of elements covers the needs, aspirations and resources in relation to other generations. The other set covers resources, problems and challenges for the organization. The items at the intersection of rows and columns cover common points, observations and conclusions done by the interviewed people.

The specialists' reflections on achieving goals while collaborating with individuals from Generation Z provided insights into interesting phenomena. Namely, surveyed specialists agree that both coaching and psychotherapeutic work with employees from the youngest generation are highly satisfying because these individuals positively respond to such interventions and willingly engage with them. The reason for this is the current age of the subjects of interest – according to specialists, a young age favors receptiveness to psychological, coaching, and therapeutic interventions. Another reason is the issues associated with direct contact, which can be overcome through such interventions.

**Table 16.** The characteristics of Gen Z and related organizational challenges from the perspective of respondents

| Category of thematic focus | Needs | Aspirations | Resources in relation to other generations |
|---|---|---|---|
| Resources | ■ Related to experiencing related to building knowledge about one's identity<br>■ Caring for work-life balance<br>■ The need for feedback and attention from supervisors or colleagues<br>■ The need for a personal approach<br>■ The need for consistent monitoring of personal commitment by the supervisor<br>■ The need for sensitivity to personal issues | ■ Engaging work considering specific abilities<br>■ Opportunity to leverage virtual identity<br>■ Remote work options in international companies<br>■ Potential for rapid advancement<br>■ Opportunity and desire for personal development as a determinant of professional motivation | ■ Ability for empathy towards crisis situations as well as cultural and personal differences<br>■ Capability to utilize new technologies<br>■ Enhanced ability for communication through virtual forms with satisfaction derived from this type of communication<br>■ Flexibility regarding remote work<br>■ Skills in creating one's own job position |
| Problems | ■ Issues related to gender and identity identification – needs for recognition<br>■ Issues regarding feelings of depression – needs for emotional support<br>■ Issues related to self-worth and belief in one's abilities independent of work outcomes – needs related to self-improvement<br>■ Problems in recognizing personal goals – relational needs<br>■ High willingness to engage in professional development opportunities | ■ Unrealistic expectations related to promotion and earnings<br>■ Considering resigning from work in the face of difficulties in fulfilling duties<br>■ Considering starting one's own business as opposed to meeting organizational requirements<br>■ Desire for high earnings at first employment<br>■ Competition with supervisors regarding the use of technology | ■ Sometimes there are needs for changes in pronouns in direct communication, flexibility – remembering about changes<br>■ Better knowledge and speed in using available internal technologies<br>■ Greater empathy and capacity for cultural differences<br>■ Reduced communication barriers and increased openness to people from other countries<br>■ Lack of direct rebellion and conflict, reluctance to confrontation – permissiveness<br>■ Concern for the environment<br>■ Openness to working in international teams |
| Challenges for organization | ■ The possibility of providing continuous access to coaching or utilizing psychological/therapeutic services in the workplace<br>■ The possibility of providing feedback after each task<br>■ Scheduling work hours in a task-based and remote work system<br>■ The opportunity to work in small teams for greater individual engagement by the supervisor<br>■ The possibility of providing flexible remote work<br>■ The need for training supervisors in coaching and mentoring to assist in setting work and personal goals | ■ Providing access to programs<br>■ Ability to respond to emotional crises related to employees' failure to fulfill personal aspirations<br>■ Reaching a financial compromise during employment<br>■ Ensuring a structure based on quick and multiple promotions<br>■ Opportunity to expand cooperation to the international environment | ■ Creating opportunities for realizing resources for managing differences and empathy<br>■ Creating opportunities for utilizing networking solutions in work<br>■ Creating opportunities for working using virtual identity<br>■ Overcoming barriers when withdrawing<br>■ Recognizing strengths despite symptoms associated with identification with psychopathological descriptions – acting despite identity crises unrelated to skills |

Source: own empirical research.

Furthermore, aspirations related to the desire for and concern for mental health of Generation Z are associated with greater motivation linked to personal changes introduced, and these, as an inseparable part related to the work environment, influence the implementation of both HRM activities and the setting of goals and strategies of organizational HR policy, which, in the case of managing the resources of Generation Z, must take into account their needs related to personal and identity issues in terms of needs, aspirations, and unique resources.

Past traumas and personal significances also play a role in an individual's functioning in the workplace. Specialists agree that current realities are linked to the understanding of employees' needs, also from the perspective of their personal difficult experiences, especially those that have occurred on an international scale, such as war experiences, loss of loved ones and livelihoods, and personal concerns about the future.

Specialists argue that caring for mental health at various levels, including maintaining work-life balance and addressing developmental deficits, is the primary and fundamental need of Generation Z, often overlooked in HRM practices. Modern companies increasingly provide psychological, therapeutic, and coaching assistance directly in the workplace. For Generation Z employees in Poland, this is particularly crucial, given their personal difficult experiences and identity-related challenges. A humanistic understanding of HR policy is gaining more significance compared to managing previous generations. Access to assistance in setting goals, overcoming identity crises, addressing personal issues, and finding motivation to fulfill tasks while dealing with personal problems becomes the basis for employment requirements and needs, as well as for more effectively performing job duties while minimizing the risk of turnover.

Interviews with specialists demonstrate that ensuring access to mental health support can be highly effective and contribute to achieving organizational goals because overcoming personal difficulties is intertwined with professional aspirations for Generation Z employees. In this case, providing such opportunities by the organization will translate into success in implementing HRM practices related to reducing employee turnover, fostering talent assessment, and providing feedback. The effectiveness of psychological, therapeutic, and coaching interventions promotes the development of employees in both personal and professional spheres, contributing to the balanced development of organizations, social aspects, and the environment.

And finally, to effectively link the theoretical framework on HRM subfunctions and success factors discussed in the previous section with the empirical findings presented in Table 2, it's essential to illustrate how the real-world data about Generation Z's preferences and challenges informs our understanding of HRM practices. In the theoretical part of the chapter, HRM is described as a comprehensive set of practices that include recruitment, selection, employee development, performance management, and many others, all of which are crucial in influencing employee behavior and overall company performance. According to the findings, Generation Z shows a strong preference for personalized approaches in these areas. For example, their aspiration for engaging work that considers specific abilities suggests that HRM strategies need to be highly adaptable and personalized, reflecting the insights gathered about their needs for feedback and consistent monitoring by supervisors.

Moreover, the data indicates that Generation Z values a balance between work and personal life, and a desire for rapid advancement within the company. These findings can help refine HRM practices such as the development and training subfunctions. For HR managers, this means creating programs that not only advance skills but also provide clear and rapid career progression paths, tailored to the fast-paced expectations of Generation Z. Empirical data also highlights Generation Z's capability to handle crises and their high adaptability to new technologies, suggesting that they could be pivotal in roles that require managing change and technological integration. This aligns with strategic HRM that leverages human capital to achieve business goals, a key success factor outlined in the theoretical framework. Furthermore, the challenges noted in the empirical findings, such as issues related to identity and self-worth, suggest that HRM practices must go beyond traditional roles to include more support in areas like mental health and well-being. This supports the theoretical assertions that modern HRM must consider a wider range of stakeholder needs, not just traditional business outcomes.

## 7.5. Summary and Final Conclusions

**The main goal of this chapter** was to make preliminary findings on how HRM practices need to evolve to effectively address the unique characteristics and needs of Generation Z in the era of human-centric management. In terms of these evolving needs, this goal has been met, and the interpretation of these findings from the perspective of human-centric management will be conducted here.

A key finding from the empirical research is the significant preference of Generation Z for workplaces that integrate mental health, personal development, and ethical considerations into their core practices. This aligns closely with human-centric management principles, which emphasize the well-being and individual needs of employees as central to organizational success. As organizations strive to adapt their HRM strategies, it becomes imperative to shift towards practices that not only cater to these needs but also promote a culture where young employees feel genuinely valued and understood.

Adapting HRM to better fit Generation Z's expectations involves redefining traditional roles and workflows to accommodate their desire for meaningful and flexible work environments. This includes the implementation of more robust mechanisms for feedback and growth, as well as support systems that address mental health in the workplace. This evolution towards human-centric management practices underscores the necessity of transitioning from a focus on productivity alone to a more balanced approach that fosters long-term engagement and satisfaction.

Furthermore, the findings suggest that human-centric organizations are better positioned to attract and retain Generation Z talent. These organizations are characterized by their commitment to aligning business strategies with employee well-being, which not only enhances job satisfaction but also drives innovation and productivity. Therefore, creating human--centric organizational practices is not merely a response to the changing workforce demographics but a strategic approach to thriving in a competitive business environment.

In conclusion, the insights garnered in this chapter indicate that the integration of human-centric management practices within HRM is crucial for addressing the nuanced demands of Generation Z. As we look towards the future, it will be essential for organizations to continue evolving these practices to ensure they remain relevant and effective in meeting the needs of a new generation of workers. This shift towards a more human-centric approach in management not only benefits Generation Z but also enhances the overall organizational culture, promoting a healthier, more productive, and more inclusive workplace.

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# Chapter 8

## Embracing Generation Z's Unique Needs in the IT Sector through Innovative HRM and Sustainable Leadership as Pillars of Human Focus Management

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## 8.1. Introduction

The primary subject of interest in this chapter is Generation Z, due to their distinct needs and expectations related to working conditions, and the HRM and leadership solutions that should be developed in response to these needs and expectations from the perspective of the human--centric management paradigm. This discussion serves as a continuation of themes previously explored regarding HRM responses to labor shortages and organizational employee retention discussed in Chapter 1, and workplace-related factors influencing employee loyalty and job performance addressed in Chapter 2. Similar to Chapter 7, in this Chapter Generation Z remains the focal point of interest, emphasizing the unique challenges and opportunities this demographic brings to the workplace.

The rapid evolution of the IT sector, coupled with the unique generational characteristics of Generation Z, poses both challenges and opportunities for human resources management (HRM) and leadership. As organizations grapple with technological advancements and changing market dynamics, the integration of Generation Z into the workforce necessitates a reevaluation of traditional HRM practices (Stor, 2023a, p. 4) and leadership approaches (Haromszeki, 2024).

The importance of understanding the motivational drivers of Generation Z – such as their preference for flexible work arrangements, substantial professional development opportunities, and a compelling organizational culture (Shatto and Erwin, 2016) – cannot be overstated.

Additionally, this chapter seeks to bridge the theoretical insights from previous discussions with practical applications within the IT sector, specifically focusing on Poland, a burgeoning hub for IT development with its own unique market conditions and challenges. The demographic nuances of Generation Z, including their digital nativity, their expectations for a balanced work-life integration, and their views on corporate ethics and social responsibility (Rogozińska--Pawełczyk et al., 2019), require a nuanced approach to HRM and leadership.

In aligning with the human-centric management paradigm, this chapter will explore how these generational characteristics influence HRM activities and strategies aimed at not only attracting but also retaining young talent in a competitive and fast-paced industry. The emphasis on a human-centric approach highlights the shift from traditional management practices towards more personalized (Cooke et al., 2022) and flexible strategies that cater to the holistic well-being of employees (Contreras-Cruz et al., 2023) perceived as human capital (*c.f.* Juchnowicz, 2014).

Hence, **the main goal of the chapter** is to identify the needs and expectations regarding work conditions of Generation Z as potential IT sector employees, as well as the HRM and leadership challenges they generate in organizations from the perspective of the human--centric management paradigm. This approach ensures that the recommendations developed are not only effective in meeting current demands but are also sustainable in fostering an engaged and loyal workforce.

## 8.2. The Theoretical Framework for the Variables Under Study

Within the human-centric management paradigm, several key issues arise in managing the dynamic IT sector. This perspective prioritizes the well-being and development of employees as central to organizational success (Cooke et al., 2022). Critical issues include addressing the chronic shortage of skilled IT professionals and adapting to the rapid technological advancements that characterize this sector. Additionally, understanding the implications of high turnover rates and the competitive salary expectations of IT workers are vital for formulating strategies that focus on human factors. These challenges underscore the need for HRM practices that not only achieve operational efficiency but also enhance employee satisfaction and engagement (Stor, 2024b). Emphasizing these elements is crucial for developing a work environment that supports both the personal and professional growth of individuals, aligning with the core principles of human-centric management.

The IT sector is one of the fastest-growing industries in Poland and globally, and its functioning determines the operation of other industries and society (Bakertilly, 2023; PARP, 2023). The competitiveness of Polish industries largely relies on the availability and quality of solutions provided by the IT sector (PARP, 2017). The activities of companies in the IT sector focus on three

main areas: services, software, and hardware (PAIH, 2010). According to the report "Pulse of the IT Market in Poland: Companies, People, Transactions" (2023) prepared by experts from Baker Tilly TPA and TPA Poland, the IT sector is one of the most innovative and fastest-growing branches of the economy in Poland, with around 37,000 companies operating within it, and their number is still growing (Managerplus, 2023). Over half of these are entities specializing in software, operating mainly in the Mazowieckie, Małopolskie, and Dolnośląskie voivodeships.

The Polish Economic Institute (PIE) in the report "How Many IT Specialists Does Poland Lack?" (2022) indicates that there was a shortage of 147,000 IT specialists in the country. This shortage in the market leads to 64% of surveyed companies having a total number of employees below their planned levels. Often, in 42% of cases, job positions remain unfilled because companies declare high difficulty due to, among other factors, the necessity of completing relevant degree programs. The gap in the IT sector remains unfilled, and one of the sector's biggest challenges is turnover (BulldogJob, 2023, 2024; No Fluff Jobs, 2022; Rynekpracy.pl, 2017). As a result, about 20% of new projects are not undertaken by companies in the Polish IT sector. Survey results conducted by PIE (2022) suggest that Polish companies struggle to find individuals for IT specialist positions. This situation is attributed to overly high salary expectations from candidates and a low number of people willing to enter the profession. IT sector employees belong to the group currently receiving the highest salaries. The median lower range of their salaries in 2021 was PLN 13,000 net, and the upper range was PLN 18,400 net (PIE, 2022). In summary, an exceptional challenge for companies in the IT sector is optimizing human resources management (HRM), benefiting both employees and organizations by reducing their desire to turnover and ensuring stability.

As said above, Polish companies are facing difficulties in finding individuals for IT specialist positions (PIE, 2022). According to the Wage Report 2023 conducted by Valueships on behalf of the Employers' Organization of IT Services – SoDA (2023), the average salary of specialists in the IT sector has increased. Salary raises varied depending on the form of employment – for permanent contracts, they amounted to 12%, while for B2B contracts, they were 6%. Due to dynamic changes in the IT sector, industry experts predict further salary increases ranging from 5% to 10%. Similarly, the IT Market Snapshot report conducted by Inhire.io (2023) presents the highest-paying IT positions and their salaries after raises, which for seniors range from gross 18,600 PLN to 22,000 PLN for permanent contracts and 21,000 PLN to 27,400 PLN for B2B contracts (net). The report also indicates that salary raises did not exclude junior positions. Salaries in the IT sector remain above average, considering that according to data from the Central Statistical Office - GUS, the average monthly salary in the enterprise sector in January 2024 was 7,768.35 PLN (GUS, 2024), while the average minimum wage in Poland in 2024 is 4,271 PLN (Gov.pl, 2023). Given such attractive financial conditions, it is pertinent to identify the key expectations of IT sector employees in Poland, as reports continue to highlight their shortage (PIE, 2022), and companies that already offer high salaries will need to compete for them using non-monetary methods.

In the context of the above characteristics of the IT sector, the question arises about what all of this means in the era of human-centric management. The significant challenges of

shortages, high turnover rates, and increasing salary expectations highlight the need for a paradigm shift towards more employee-centric practices. Emphasizing human-centric management is crucial, as it enables companies to better align their operations with the needs and aspirations of their employees. This approach fosters a supportive work environment that addresses not only the technical skills gap but also enhances job satisfaction and organizational loyalty. Prioritizing the human element in management strategies is essential for sustaining growth and innovation in a sector that is both highly competitive and integral to the national economy.

The "Study of the IT Community 2024 Report," which surveyed 5,411 IT professionals, provides detailed insights into the expectations and preferences of those currently active in the field. Key findings reveal a strong desire among IT professionals to move away from traditional office routines, with a preference for flexible remote and hybrid work options. Additionally, there is a significant interest in enhancing work efficiency through the use of AI assistance and better project team management. Benefits that rank high on their list include a 4-day work week, flexible working hours, additional vacation days, private healthcare, and opportunities for professional training and development. Furthermore, salary remains a crucial factor, followed by personal and professional development opportunities, the option for remote work, and a peaceful work environment (Bulldogjob, 2024).

In terms of HRM activities and strategies, the study highlights various solutions to address these preferences and expectations. IT professionals emphasize the importance of job flexibility, both in terms of work hours and the nature of the work environment, which remains a key motivator for both retaining and changing jobs. Other significant motivators include company culture, competitive salaries, job security, and opportunities for learning and self--improvement. As the interest in team management roles increases, HRM activities are also adapting to focus more on career development paths within companies. This shift in priority suggests a growing need for HRM approaches that not only offer attractive benefits and compensation but also foster a supportive and flexible work environment to retain top talent in a competitive market (Bulldogjob, 2024).

Given the challenges outlined above in the IT sector, it's crucial to understand how generational differences impact workforce dynamics. As companies strive to meet the high expectations of IT professionals, they must also consider the distinctive characteristics and preferences of Generations X, Y, and Z. These generational insights are key to developing effective HRM strategies that address the unique needs of each group and reduce turnover rates.

In the contemporary labor market, three main generations of employees can be identified (Kroenke, 2015). Generation X, the oldest, consists of individuals born between 1980 and 1989. These are mature workers characterized by an emphasis on earnings, personal development, loyalty to employers, stability, and specialization (Mhatre and Conger, 2011). Generation Y, or "Millennials," is currently the largest and best-educated workforce (Delgado et al., 2020). This generation comprises individuals born between 1980 and 1995. They are characterized by a pursuit of engaging, satisfying careers, openness to challenges, and a desire for work-life balance (Ng and Johnson, 2015). Unlike previous generations, Millennials expect

satisfactory pay and employer investment in their development (Forastero et al., 2018). The third, youngest generation of workers is Generation Z. They are individuals born after 1995 (Ławińska and Korombel, 2023). They are the most adept at using new technologies and are seen as open and creative. However, they may struggle with concentration and tend to perceive problems superficially (Schroth, 2019). In the workplace, they are characterized by low organizational commitment. Consequently, they pose a challenge for employers, as hiring them exposes them to recruitment and selection costs (*c.f.* Stor, 2024a), with a low guarantee of retaining the employee for an extended period. It is essential, therefore, for employers to understand what they can do to attract and satisfy Generation Z representatives while minimizing turnover risk.

As we consider the evolving HRM activities essential for retaining top talent in the IT sector, it's important to highlight the role of sustainable leadership in creating value for employees. Effective leadership is not only about managing resources but also about fostering an environment where diverse generations can thrive. This approach is especially relevant given the generational characteristics described earlier. Sustainable leadership focuses on long-term profit generation and employee well-being, aligning with the needs of Generations X, Y, and Z, who seek engagement, satisfaction, and work-life balance in their careers.

Leadership is generally defined as the exercise of power within social communities, the ability of one or more individuals to influence a group and implement their own policies (Mrówka, 2021). Leadership can also be defined considering its procedural character, as it constitutes a social process, part of which involves exerting influence on other people to achieve a chosen goal (Cybal-Michalska, 2015; Grzesik, 2011). Sustainable leadership constitutes an element of balanced development, thus referring to its key characteristics, such as a focus on long-term profit generation for the organization, moving away from solely focusing on the financial aspect towards considering the well-being of employees and the organization's environment (Liao, 2022). Its practice can lead to the creation of conditions conducive to the generation and maintenance, and even the stimulation, of motivation and satisfaction among employees (Galpin and Lee Whittington, 2012). The literature on the subject addresses the characteristics of three dimensions of sustainable leadership as described in Table 17.

**Table 17.** Three dimensions of sustainable leadership

| Dimension | Characteristic |
|---|---|
| Economic | Focuse of leaders' actions on achieving maximum efficiency in their own work and that of their subordinates. |
| Environmental | Building employees' awareness of environmental protection, engaging leaders in ecological initiatives, conducting training, and incorporating environmental considerations into organizational processes. |
| Social | Creation of an optimal work environment by leaders, allowing personnel to carry out their assigned tasks without obstacles. Subjective approach to subordinates and concern for their well-being. |

Source: own elaboration based on (Avery and Bergsteiner, 2011; Kugiel, 2015).

Leaders who employ sustainable methods serve as inspiration for their subordinates, as they deliberately focus on their needs, enable participation in decision-making, and adhere to ethical conduct. Furthermore, sustainable leaders promote knowledge sharing and responsibility in terms of avoiding environmental degradation, as well as fostering a positive workplace atmosphere (Iqbal and Piwowar-Sulej, 2022).

Avery and Bergsteiner (2011) developed what they called the The Sustainable Leadership Pyramid consisting of four levels:

- Foundation practices, including but not limited to, human resource development, building good relationships with stakeholders, long-term employee retention, strong sharing of organizational vision, social responsibility, and ethical conduct.
- Higher-level practices involving decentralization of decision-making, self-management, teamwork, promotion and development of organizational culture, knowledge sharing, and its maintenance within the organization, as well as building a culture of trust.
- Key performance drivers, thus requiring systemic innovation, quality, voluntary and self--initiated stakeholder engagement in the organization's life.
- Performance outcomes, culminating in practices at the previous levels and ensuring long-term development of the organization and its stakeholders, as well as mutual relationships between them.

These levels of practices ensure the establishment of conditions in which the organization contributes to improving its relations with both its internal and external environment (Avery and Bergsteiner, 2011; Gerard et al., 2017). Such a leadership model increases, among other things, work effectiveness, the degree of organizational mission fulfillment, correction of conflict situations, and directs actions toward improving the economic and social situation of stakeholders (Hargreaves and Fink, 2012)

Understanding these leadership practices is crucial as they directly impact the effectiveness of HRM strategies in addressing the unique needs of each generation within the workforce (Haromszeki, 2024). This strategic alignment is essential for enhancing employee satisfaction and retention in a sector as dynamic as IT. By implementing sustainable leadership practices, companies can better cater to the nuanced expectations of Generations X, Y, and Z, thereby minimizing turnover and enhancing organizational stability.

The challenges facing Poland's IT sector, such as the shortage of skilled professionals, high turnover rates, and rising salary demands, underscore the critical need for HRM strategies and leadership practices that prioritize employee well-being and engagement. Addressing these issues through a human-centric management approach is essential for maintaining competitiveness and fostering innovation. Creating a supportive work environment and effectively managing the diverse needs of the workforce are crucial steps towards enhancing job satisfaction and organizational loyalty (Haromszeki, 2023). Implementing appropriate HRM and leadership activities offers a significant opportunity to properly shape human-focused organizational practices (Stor, 2023c). These strategies are not just beneficial but imperative for the long-term sustainability and success of the IT industry in Poland.

## 8.3. The Methodics of the Conducted Empirical Research

The empirical research was conducted using a survey questionnaire method. The questionnaire was developed in paper form, incorporating elements reflecting selected fields from the IT Community Report 2024 (BulldogJob, 2024). The aim of the study was to identify the declarations regarding the current needs of potential IT sector employees. The questionnaire contained closed-ended questions, including multiple-choice questions and a single question with a scale from 1 to 5, where 1 represented the lowest rating and 5 the highest. This format was chosen to minimize any ambiguity in the respondents' interpretation.

The survey was conducted in March 2024 among full-time and part-time students of the University of Economics in Krakow. The students majored in:

■ Global Business Services,
■ Business Innovations,
■ Applied Informatics,
■ Management,
■ Human Resource Management.

It means that the research sample consisted of members of Generation Z, who, according to the assumptions made, may constitute potential employees of the IT sector. Completed surveys were collected from 121 students. The structure of the research sample by sex is shown in Table 18. Data analysis was performed using FormPro, Microsoft Excel, and SPSS29 software.

**Table 18.** The structure of a research sample by sex

| Sex category | In percentage |
|---|---|
| Females | 62.8 |
| Males | 36.4 |
| Non-binary | 0.8 |
| **Total** | **100** |

Source: own empirical research.

## 8.4. The Empirical Research Findings

The first question concerned declaring which benefits from the list the respondents considered most attractive (see Figure 6). The research indicates that flexible working hours received the greatest popularity (91%), followed by private healthcare (71%), and a 4-day work week (60%). These most popular results largely coincide with the BulldogJob Report (2024). The significant difference lies only in the distribution of selections, as in the mentioned study, the shortened work week and flexibility had almost the same popularity and occupied the first two places, while the third belonged to additional vacation days. Based on the data obtained, it can be inferred that the respondents value the ability to manage their own time the most.
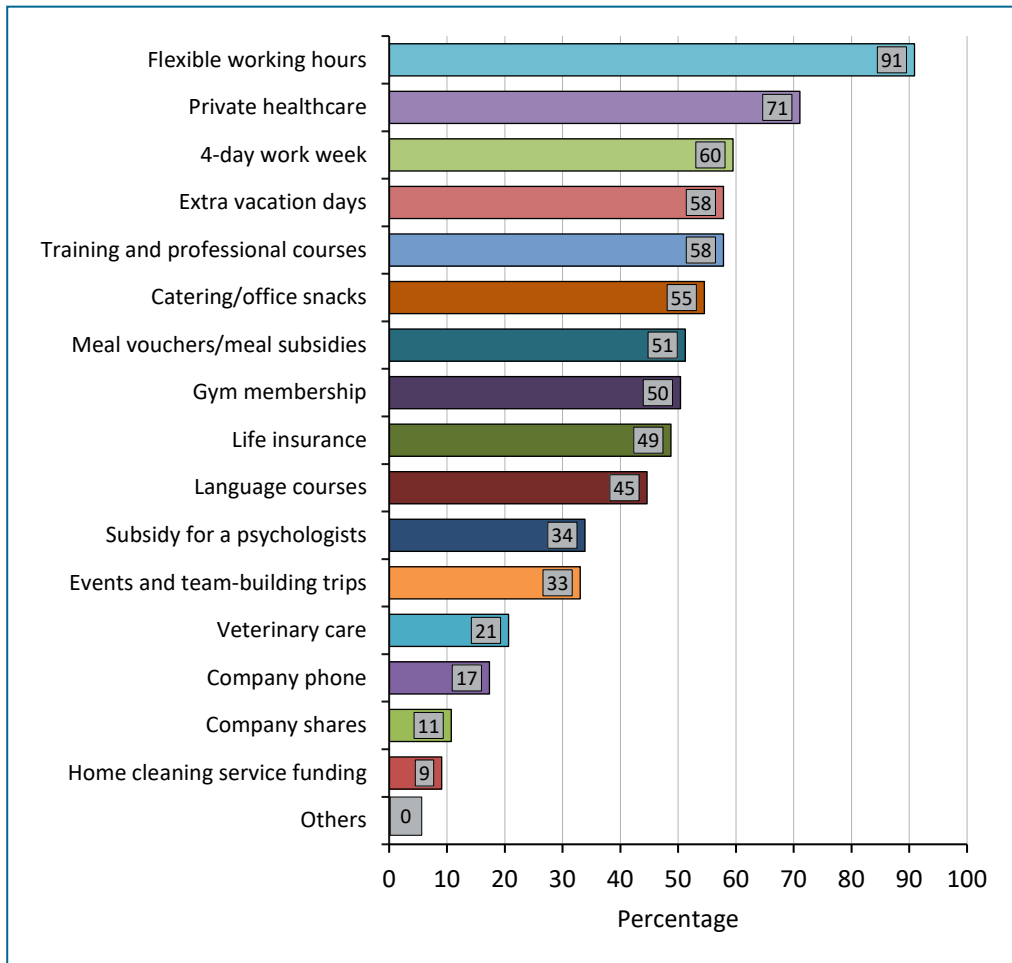
**Figure 6.** The ranking of benefits considered most attractive by percentage of respondents' selections

Source: own empirical research.

The significance of private healthcare among young individuals may be surprising; however, firstly, they have already declared their desire to work reduced hours, and secondly, Generation Z is characterized by a high degree of concern about their future. The subsequent largely correspond to those from the BulldogJob Report (2024), with the only notable difference being that company stocks are not significant to the respondents, unlike elements facilitating work and life. This confirms that Generation Z may not necessarily strongly identify with a company but rather seek to gain as much as possible from it for their development and convenience.

In the next question, respondents were asked to identify which of the listed elements is most important to them in their work (see Figure 7). Unsurprisingly, money (83%) and personal development (62%) remained the most important, which also aligns with the findings of BulldogJob (2024). This result is logical, as young people want to become independent and successful as quickly as possible, for which they need money and market-valued skills.

The remaining responses form a separate group, but no strongly divergent elements can be distinguished within it. Therefore, apart from money and development, respondents value their work environment – people, stability, and peace – to a similar extent. There is still significant interest in the flexibility of work mode and combining professional life with other responsibilities. Referring to the IT Community Study 2024 Report, a generational difference is noticeable, as older individuals did not consider stability or the people they work with to be important. Thus, the role of the work environment and atmosphere for Generation Z has been emphasized.
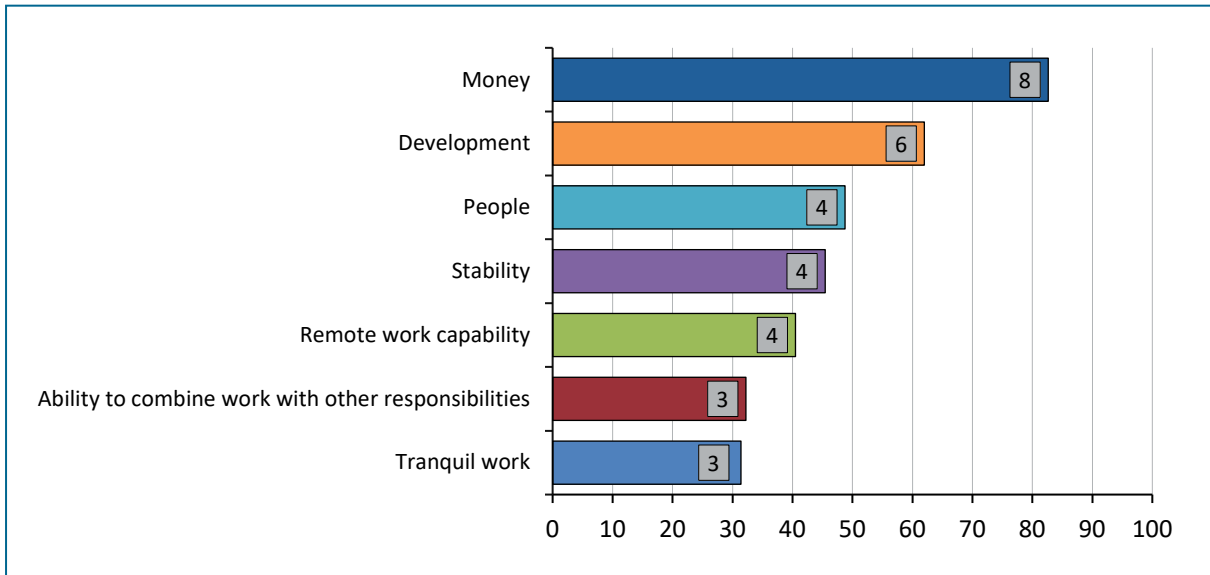


**Figure 7.** The ranking of the most important things to respondents in work by percentage of their selections

Source: own empirical research.

Next, respondents were asked about what could motivate them to stay in their current job (see Figure 8). The results reveal a certain trend. The factors determining the significance of the profession they practice overlap with those that limit turnover. Once again, earnings ranked first (93%). Development opportunities – promotion (69%), learning, and self-education (40%) remained significant for respondents. The importance of the workplace itself – its atmosphere and people – also increased (80%). Similarly, the significance of work flexibility and location has strengthened. Interestingly, the employer does not seem to have the power to influence the decision to stay in the job through the tools and technologies used in the company or its prestige. Respondents declared that they are mainly interested in what they gain in return for their work and how they are treated in it, rather than seeing it as a reflection of social status. There is quite uniform interest in the subsequent factors until a decline occurs from the values and culture of the company. In the BulldogJob Report (2024), this decline occurred after the first five dominant factors. Thus, it can be inferred that Generation Z requires a more extensive range of elements to build their organizational commitment.
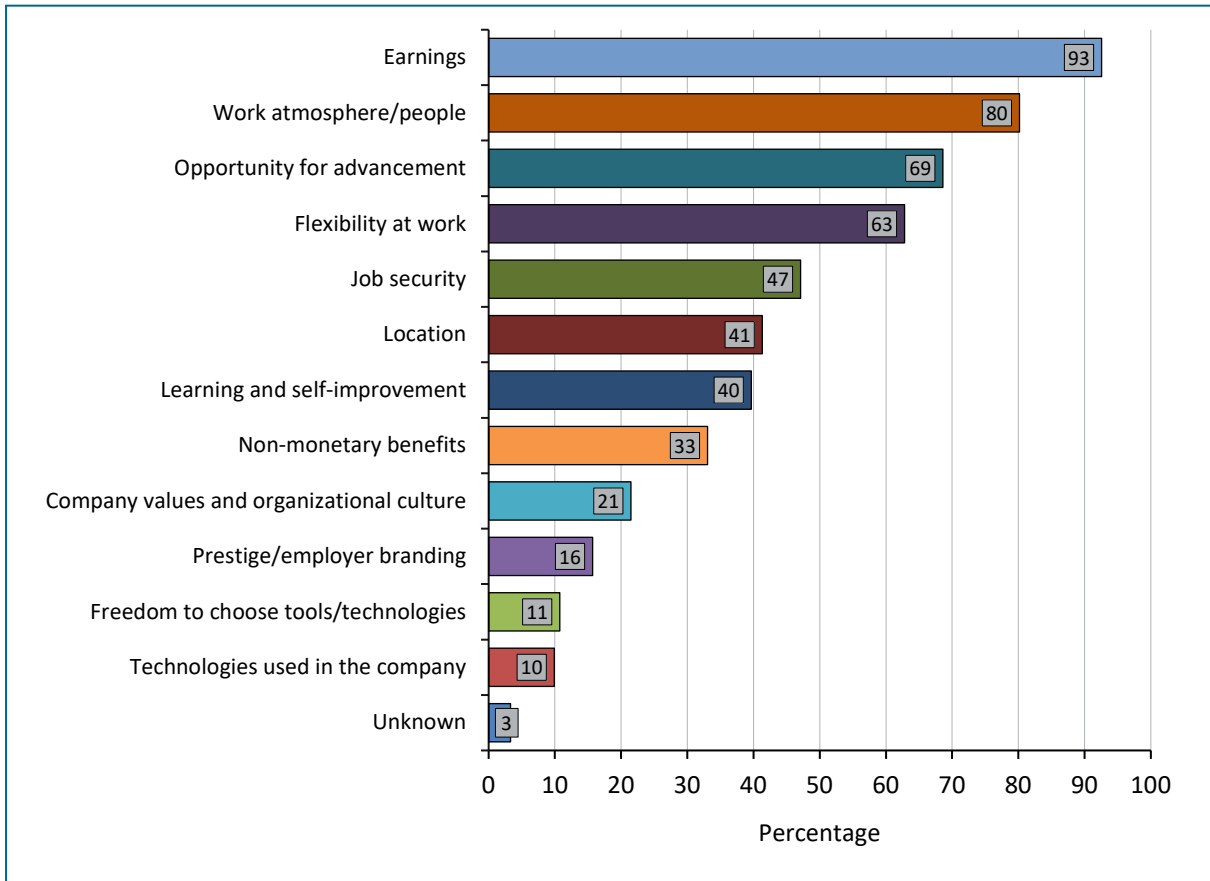
**Figure 8.** The ranking of what could motivate respondents to stay in their workplace by percentage of their selections

Source: own empirical research.

In connection with the previous question, respondents were asked to indicate which factors could motivate them to change jobs (see Figure 9). It is confirmed that earnings, work atmosphere, people, and the possibility of advancement are very important, as they are for older generations. However, the increasing significance of location is noteworthy, as it ranked fourth by 55% of respondents, whereas in the BulldogJob Report (2024), it was third from the bottom. It can be concluded that unmet expectations regarding the quality of the work environment increase the likelihood of employees leaving the current place of employment. Such behavior may reflect Generation Z's tendency to avoid stress and gradually decrease the importance of remote work.

Respondents were also asked what information they need to make a decision to apply for a job (see Figure 10). They pointed out three main elements: salary range (87%), type of contract (81%), and description of required experience (77%).
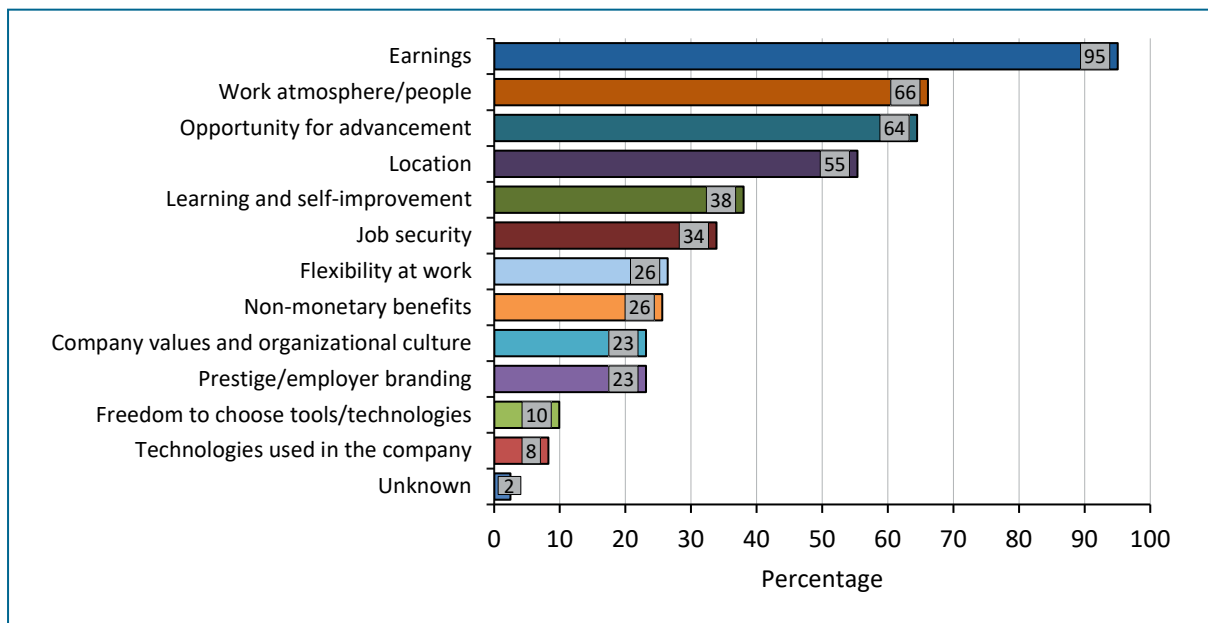
**Figure 9.** The ranking of what could motivate respondents to change their jobs by percentage of their selections
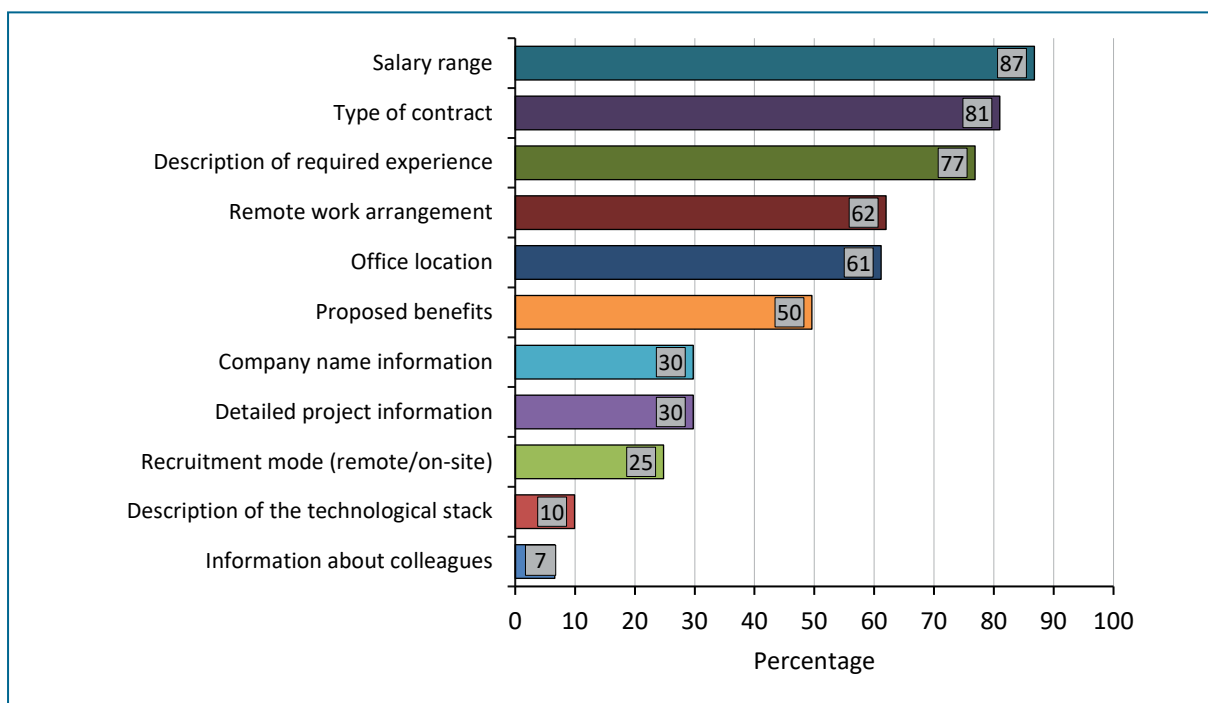
Source: own empirical research.



**Figure 10.** The ranking of type of information that respondents need to make decision to apply for a job by their percentage of their selections

Source: own empirical research.

There is no surprise here, as these are classic components of a job advertisement. Interestingly, the issue of remote work appeared in fourth place, whereas in the BulldogJob Report (2024), it was the second most important factor, right after earnings. Again, this may indicate a slight decrease in its importance. It also opens up a second group of information with results between 50-61%, along with office location and benefits. Thus, the image emerges of individuals who are very demanding of their employers, confident in their skills, expecting good compensation, and wanting to know the exact terms of work, duties, and privileges resulting from the contract. Detailed issues, such as precise project information or recruitment procedures, are of little importance to them.

The participants were asked whether they aspire to manage a team in the future. Only 62 individuals (51.2%) expressed such a desire. The remaining responses were divided between those who are indifferent to such actions (24.8%) and those who have no opinion (16.5%). Definitively uninterested in management were only 9 respondents (7.4%). Such uncertainty leaves room for discussion regarding the issue of self-belief in their own skills and the willingness to take on challenges among the younger generation, as in the BulldogJob Report (2024), the vast majority confirmed their willingness to take on the role of team leader. The difference may also be due to the amount of professional experience possessed by the two discussed groups.

Finally, participants were asked to rate, using a scale from 1 (lowest) to 5 (highest), how they assess the given factors in terms of hindering effective work. None of the elements listed in Table 19 showed alarming standard deviations. Considering the average ratings obtained on the scale, the greatest obstacle turned out to be communication issues and a negative workplace atmosphere. These are closely related organizational life elements, so they may seem synonymous to the respondents. These obstacles differ in significance compared to the Social IT Community survey (2024), where employees declared the dominance of procedures and communication, while the atmosphere was almost insignificant. The next significant issue was faulty procedures within the company – only in third place, whereas for experienced individuals, they constituted the most significant obstacle. The remaining differences proved to be minor, except for the lack of self-organizational skills, which was the fourth-largest obstacle.

**Table 19.** Major obstacles in effective work

| Type of Problem | Average | Standard Deviation |
|---|---|---|
| Communication issues in the company | 4.40 | 0.715 |
| Poor work climate | 4.28 | 0.839 |
| Faulty procedures in the company | 3.93 | 0.793 |
| I'm not able to organize my work. | 3.47 | 1.148 |
| Time pressure. | 3.43 | 1.161 |
| Technical/technological deficiencies. | 3.29 | 0.831 |
| Workplace location. | 2.53 | 0.984 |

Source: own empirical research.

## 8.5. Summary and Final Conclusions

**The main goal of this chapter** was to identify the needs and expectations regarding work conditions of Generation Z as potential IT sector employees, as well as the HRM and leadership challenges they generate in organizations from the perspective of the human-centric management paradigm. In terms of these needs and expectations of Generation Z, this goal has been met, and the interpretation of the organizational challenges from the perspective of human-centric management will be conducted here.

The empirical findings reveal that flexible working hours are highly valued by Generation Z, receiving the highest approval rating among the surveyed benefits. This indicates a strong preference for autonomy in managing work schedules, reflecting a shift towards work-life balance (*c.f.* Dabija at al., 2022) that accommodates personal and professional growth within a human-centric organization. Given this, HRM challenges involve implementing flexible work policies that support such autonomy while ensuring productivity and alignment with organizational goals. The most suitable leadership approach to meet these challenges is sustainable leadership (Liao, 2022; Salmah et al., 2024), as discussed in the theoretical part of the chapter, which promotes adaptability and responsiveness to employee needs in a human--centric perspective.

Private healthcare and a four-day work week also ranked highly in attractiveness for Generation Z. These benefits reflect an increased concern for well-being and efficiency at work, suggesting that this generation values both health security and intensive, yet concise, work periods. HRM activities and strategies should, therefore, consider enhancing health benefits and experimenting with condensed workweeks as part of an attractive benefits package in a human-centric focused organization. Sustainable leadership is essential in managing the expectations and logistics of a four-day workweek, ensuring that such a shift aligns with client demands and project timelines while maintaining a focus on the well-being of employees (*c.f.* Dabija at al., 2022).

The surveyed individuals represented Generation Z and its characteristics, as listed in the scientific literature, including high self-confidence, a drive for quick success, a focus on gaining benefits from employment, and personal development (*c.f.* Barhate and Dirani, 2022). The study found that they place a stronger emphasis on the organizational atmosphere and colleagues compared to their predecessors. Employers aiming to mitigate turnover among Generation Z will need to implement diverse benefit packages to address these needs effectively, HRM should focus on creating highly adaptable benefit structures that respond to the evolving demands of Generation Z. These could include customizable benefit options that allow employees to choose what best fits their personal and professional circumstances. Sustainable leadership should also emphasize fostering a supportive organizational atmosphere (*c.f.* Haromszeki, 2023) where collaboration and interpersonal relationships are prioritized (*c.f.* Liao, 2022), reinforcing the human-focused nature of the organization.

Despite their belief in their chances of success, the respondents from Generation Z exhibited uncertainty regarding practical skills, thus not seeing themselves in leadership roles.

This illustrates both their logical behavior and self-awareness, but also casts doubt on their declared self-confidence when faced with the verification of practical skills. Such a situation may indirectly contribute to an increased demand for personal development tools (*c.f.* Haromszeki, 2024). Implementing sustainable leadership practices in organizations may be a proposed solution for employers, as they appear attractive to contemporary employees, especially Generation Z, which prioritizes personal development, organizational climate, and a sense of the significance of their work (*c.f.* Pietroń-Pyszczek and Borowska, 2022). In this light, HRM activities and strategies should include comprehensive mentoring and coaching programs tailored to enhance practical skills and confidence among young employees (McDougall and Saarinen, 2024). Sustainable leadership should champion these initiatives by creating an environment that values continuous learning and feedback, based on employee performance appraisal (Stor, 2023b), thereby not only filling the skills gap but also empowering Generation Z employees to take on leadership roles within a human-focused organization.

The survey data indicated a significant preference for stability and a tranquil work environment, highlighting that, beyond flexible and health-related benefits, Generation Z employees seek secure and supportive workplace atmospheres. This expectation poses HRM challenges in creating environments that are not only flexible but also stable and peaceful. Sustainable leadership is crucial in developing and maintaining a workplace culture that promotes tranquility and security (*c.f.* Liao, 2022), which are essential for retaining young talent in a human-centric organization.

Finally, the empirical results suggest that while financial compensation is crucial, it is accompanied by a strong desire for personal and professional development opportunities. Generation Z's focus on development and progression suggests that HRM must integrate continuous learning and clear career pathways into their strategic planning (*c.f.* Barhate and Dirani, 2022). Innovative HRM practices are essential in this integration, employing cutting-edge approaches to talent management and development that resonate with the dynamic needs of Generation Z. Sustainable leadership plays a pivotal role in creating and sustaining a culture that values growth and development, ensuring that young employees see a long--term future within the company, aligning with the principles of a human-centric organization.

In summary, the IT sector in Poland faces the dual challenge of adapting to the unique needs of Generation Z by implementing flexible, health-conscious, and stable working conditions, while also fostering an environment that supports continuous personal and professional development through sustainable leadership practices. Innovative HRM practices are key to this adaptation, offering advanced strategies such as AI-driven HR analytics and agile performance management systems that are tailored to meet the evolving demands of a young workforce. The added emphasis on customizable benefit packages and comprehensive mentoring programs as recommended for HRM reflects a deep understanding of Generation Z's preferences for a flexible, supportive, and development-focused workplace. Sustainable leadership must now pivot towards fostering a culture that not only accommodates but also embraces the dynamism and values of a human-focused organization, enhancing both employee satisfaction and organizational competitiveness. By integrating these innovative HRM practices, IT companies

can enhance their attractiveness to emerging talents, thereby supporting their growth and sustainability in a competitive market. This holistic approach ensures that the activities and strategies align with the aspirations of young employees and the overarching goals of the organization, fostering a robust, innovative, and supportive workplace environment.

## Funding

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# Chapter 9

## Conceptual E-HRM Solutions for Enhancing Employee Focus in Human-centric Organizations

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## 9.1. Introduction

In previous chapter 8, the focus was on the IT sector in the face of current employee expectations. In this chapter, attention is turned to the use of selected products of this sector in the area of HRM. Interest in this issue is driven by the increasing relevance of electronic human resources management (E-HRM), which is observed both in academia and in business practice.

Human resource management, like other functional areas of enterprises, is subject to strong pressure from many changes occurring in the organization's environment. These are related, among other factors, to competition for talented employees (Tarique et al., 2022), modifications in employees' attitudes towards work, or the structure of employees available on the labor market (age, competencies, etc.), the permanent evolution of employer--employee relations (Sessa and Bowling, 2021), or the rapid development of information and communication technologies (Zhou et al., 2022). In particular, the latter factor poses a major challenge for HR managers, since under its influence the way of carrying out human resources management tasks is undergoing a complex transformation. This, in turn, requires the acquisition of not only digital competencies necessary for functioning in a computerized

environment, but also knowledge of IT solutions available on the market, the determination of requirements for these solutions or, ultimately, methods of their selection (Nyath and Kekwaletswe, 2024). These issues form the broader emerging concept of E-HRM mentioned at the beginning.

The subject of E-HRM holds particular significance to the overarching theme of this monograph, which focuses on placing humans at the heart of the organization. As we navigate through the rapid advancements in technology and shifting work environments, such as remote and hybrid models (Wells et al., 2023), the integration of electronic systems in human resource management becomes imperative. E-HRM tools not only streamline processes but also enhance the ability of organizations to respond to the diverse needs and well-being of employees (Bondarouk et al., 2017). This approach aligns with the evolving demand for workplaces that prioritize personal growth, inclusivity, and well-being, ensuring that technology serves to support and augment the human aspect of organizational operations, rather than overshadow it (Nyathi and Kekwaletswe, 2024). This strategic alignment underlines the critical role that technology plays in reinforcing the human-centered approach in contemporary organizational management.

Hence, **the main goal of this chapter** is to discuss the basic components of E-HRM and to propose, based on them, an E-HRM matrix as a starting point for the selection of information and communication technologies. These components and the E-HRM matrix will be discussed in the context of their role in supporting dynamic, inclusive work environments that prioritize personal growth and well-being, aligning technology with the human-centric goals of the organization. This perspective will ensure that E-HRM tools are viewed as enhancers of human potential within the framework of modern organizational management.

## 9.2.  The Concept of Electronic Human Resources Management

The dynamic development of information and communication technologies (ICT) – which process, collect, and transmit information in electronic form – caused rapid changes in the functioning of individuals, groups, or entire societies. These changes are also observed at the level of organizations. The way we perform tasks or manage employees nowadays is filled with various solutions from the ICT area (Zhou et al., 2022). Similarly, in HRM, information and communication technologies have become indispensable tools of work, supporting HR employees in the implementation of tasks of various levels of complexity (Stor, 2020). This has led to the emergence of a new concept known as electronic human resource management (E-HRM), which can be tentatively read as a combination of traditional HRM with various information and communication technologies. These technologies significantly influence how organizations attract talented employees, implement selection processes for job candidates, shape the level of commitment and satisfaction of their employees, or manage job performance (Ma, 2023).

When attempting to define E-HRM, it should be noted that this term has been used in the literature for more than two decades (Gardner et al., 2003; Ruel et al., 2004). In its sample definitions presented in Table 20, particular attention is drawn to the emphasis placed on various ICT technologies which, when used in HRM processes, form a kind of foundation for the emerging concept. Without entering into a detailed discussion of the definitions presented, one should agree with T. V. Bondarouk and H. J. M. Ruël that E-HRM should be regarded as a kind of "umbrella" term covering all possible mechanisms that integrate HRM with IT, the purpose of which is to create value to the inside and outside of the organization for the target group of employees and managers (2009).

**Table 20.** Exemplary definitions of electronic human resource management

| Author/authors | Definition |
| --- | --- |
| S. Stroehmeier (2007) | E-HRM – planning, implementation, and application of information technology for both networking and supporting at least two individuals or collective actors in their shared performing of HR activities. |
| M. Voermans, M. Veldhoven J. (2007) | E-HRM refers to the application of Internet technologies to administratively support the HR function. |
| H. J. Ruel, T. V. Bondarouk, M. Van der Velde (2007) | E-HRM is the integration of plans, strategies, and methods used in human resource management with online platforms to increase the efficiency of an organization's operations. |
| J. H. Marler, E. Parry (2016) | E-HRM – configurations of computer hardware, software and electronic networking resources that enable intended or actual HRM activities (e.g., policies, practices, and services) through coordinating and controlling individual and group-level data capture and information creation, and communication within and across organizational boundaries. |

Source: own elaboration.

Changes that occurred in the field of HRM under the influence of the widespread use of modern ICT solutions changed not only the way basic tasks are carried out, but also the perception of the role that HR departments play in modern organizations (Table 21). It should be emphasized that the primary determinant of these new roles is the mindset of employees at managerial levels regarding the possibility of using the aforementioned technologies in the day-to-day functioning of the organization. This is because their implementation will change the way employees communicate, collaborate, or manage their own careers (Sienkiewicz and Sidor-Rządkowska, 2023). This means that HR departments can increase their prestige within the organization, as properly selected and implemented modern technologies will be reflected in the organization's economic performance (Obeidat, 2016). And as for HRM itself, as empirical research shows, new technologies can support each of its diverse subfunctions and bring measurable benefits to various areas of an organization's operations (*c.f.* Stor, 2023).

**Table 21.** Traditional and new HRM practices

| Old rules | New rules |
|---|---|
| The HR department focuses on process design and harmonization to create standard HR processes. | HR department optimizes employers' productivity, teamwork, engagement, and career development. |
| HR selects a cloud-based vendor and implements out-of-the-box practices to create scale. | HR builds innovative, company-specific programs and leverages the platform for scale. |
| HR center of excellence focuses on process design and process excellence. | HR center focuses on leverage, AI, Chat, APPs, and other advanced technology. |
| HR focuses on self-service to scale service and support. | HR focuses on enablement to help people get work done more effectively. |
| HR programs are designed for scale and consistency around the world. | HR programs target employee segments, personas, and specific groups. |

Source: (Varadaraj and Wadi, 2021).

The discussion thus far on E-HRM underscores its transformative role in evolving HR from a traditional administrative function to a strategic entity within organizations. By integrating technology into HR practices, E-HRM enhances the ability to address individual employee needs and aspirations, supporting dynamic, inclusive work environments. This shift is crucial for organizations aiming to foster a culture of employee engagement and empowerment, positioning HR to effectively contribute to organizational strategy and adapt to contemporary challenges.

## 9.3.  The Key Components of E-HRM

The literature provides a number of proposals for model approaches to E-HRM (Bondarouk, 2020; Ruel et al., 2004). An analysis of the relationships and components adopted in them indicates that, in the most general terms, they are based on the pattern shown in Figure 11, which includes the strategy, goals, types, and effects of E-HRM. The starting point is the organization's overall strategy, which sets the basic directions for development in specific areas like production, marketing, or HRM. The overall strategy is reflected in functional strategies. In the case of HRM, it can refer to the full use of various IT solutions to support the work of HR employees, which means implementing the concept of electronic human resource management.

Another element in the E-HRM model approach are goals. Their origins can be found in an article by Lepak and Snell (1998). The researchers noted four reasons why organizations choose to implement IT solutions in the area of HRM. These include:

1) focusing more attention on strategic issues, in which the HR department becomes a business partner that supports the organization's overall strategy;
2) increasing flexibility in the HR policies and practices implemented;
3) reducing the cost of operating the HR department; and
4) changing the approach to senior managers or other employees from a model of continuous collaboration to a model of providing services to internal stakeholders.
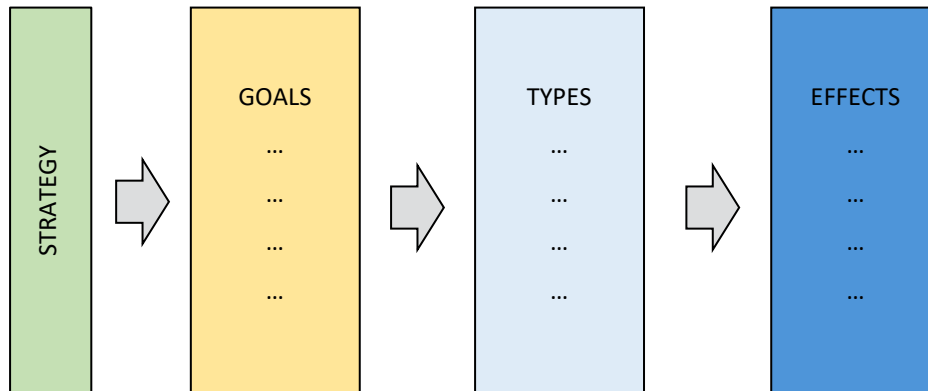
**Figure 11.** Components of the electronic human resource management models

Source: own work.

The above goals were modified in the following years, e.g., in a proposal by H. Ruel, T. Bondarouk and J. K. Looise. The emphasis on flexibility was dropped, but the other three goals remained (2004). Specifically, within the scope of the E-HRM goals, the following can be distinguished (Kaur, 2013):

- offering an adequate, comprehensive, and ongoing information system about people and jobs at a reasonable cost,
- providing support for future planning and policy formulation,
- automating employee-related information,
- facilitating monitoring of imbalances in demand and supply of human resources,
- enabling faster response to workforce-related services and faster workforce-related decision-making,
- offering data security and personal privacy.

Considering the types of E-HRM, the literature on the subject indicates operational, relational, and transformational E-HRM. The operational type refers to basic (administrative) tasks carried out by HR staff and includes collecting basic data on employees, concluding contracts, calculating salaries taking into account legal regulations on vacation days, sick leaves, etc. The relational type of E-HRM, also referred to as the traditional one, covers the basic areas of human resource management, namely human resource planning, employee acquisition, development, or performance management. The basic question at this level of E-HRM concerns the ability of information and communication technologies to support the tasks performed. The last type of E-HRM, also called the transformational type, is related to the issue of linking personnel strategy with the overall strategy of the organization. In doing so, it is emphasized that the implementation of the E-HRM concept should lead to the release of adequate organizational and human resources, which can be used at the strategic level of human resources management (Ruel et al., 2007).

The last element in the E-HRM model approach are the effects. The literature provides a number of examples of their classification. In the work of H. Ruël and van der Kaap, the analysis of the effects of implementing E-HRM in an organization was carried out from the point of view of creating value for stakeholders (2012). The authors of this analysis proposed grouping the effects according to three categories: productivity, efficiency, and quality of services provided by the HR department. In turn, in the proposal of G. Martin and M. Reddington, the classification of effects was based on the following criteria: expected and unexpected, and positive and negative (2010). Based on this approach, the following positive effects of E-HRM can be identified (Łukasiewicz, 2020):

- increasing the organization's ability to access, collect, and disseminate information,
- reducing the cost of operating the HR department,
- reducing administrative and office work,
- employees are able to participate in online discussions,
- supporting HRM processes through systems such as e-recruitment, e-selection, e-learning, e-training, etc.

In addition to the positive implications, the management of any organization must be aware of the potential negative effects of implementing modern IT solutions into the area of HRM. Examples of these include:

- reducing full-time positions in the HR department,
- lack of appropriate skills required to operate specialized software,
- illegal access to information and its use for various purposes,
- the disappearance of interpersonal contacts in favor of electronically transmitted information.

In summary, organizations implementing the E-HRM concept should have a perfect recognition of all the elements that determine the final shape of the concept. Their identification and analysis can be regarded as a preliminary stage to achieve the target state of the HRM system supported by information and communication technologies. This integrated approach enhances the strategic, operational, and transformational elements within HRM, aligning human resources practices with broader organizational strategies. The ability of E-HRM to streamline administrative tasks, support strategic HR planning, and improve service quality ensures that HR practices are not only efficient but also contribute significantly to organizational growth and employee satisfaction. Such strategic integration is essential for leveraging HR as a pivotal component in achieving business success and fostering a supportive, engaging, and adaptable work environment.

## 9.4. The Author's Own Conceptual Proposal for the Matrix of E-HRM

The components of E-HRM described in the previous section should be applied to its basic areas, which in this approach take the prefix "e-". These include e-planning of human resources, e-recruitment, e-performance management, e-remuneration, etc., as shown in Figure 12. This prefix emphasizes the saturation of these areas with information and communication technologies, but there is no precise guidance in the literature on how to set the threshold beyond which an organization is authorized to add that prefix. The situation is complicated by the fact that nowadays it is difficult to imagine an area of human resources management in which no information technology in the form of at least a spreadsheet or an e-mail is used. In this context, it would be useful to have a tool to assess the degree of use of ICT in the highlighted areas of human resource management.
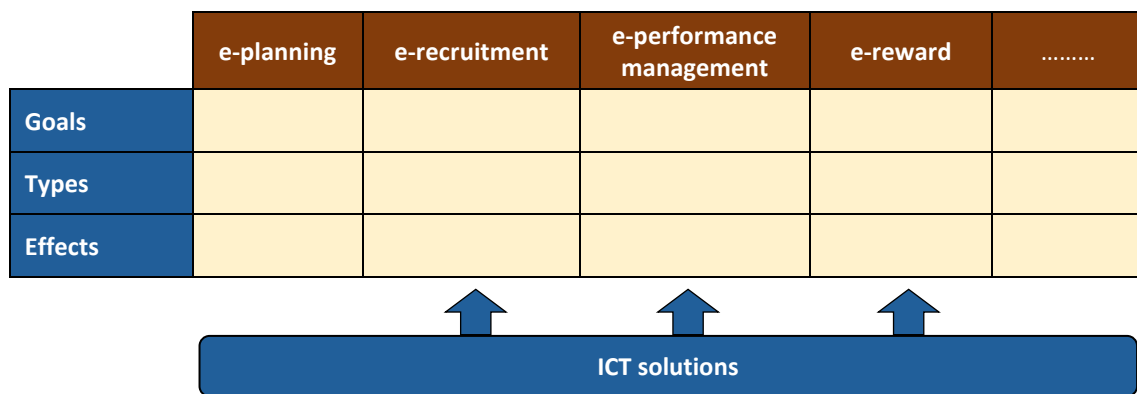
| | e-planning | e-recruitment | e-performance management | e-reward | ……… |
|---|---|---|---|---|---|
| **Goals** | | | | | |
| **Types** | | | | | |
| **Effects** | | | | | |

**ICT solutions**

**Figure 12.** Target matrix for E-HRM

Source: own concept.

The computerization of the area of HRM depends on many factors. Most often, researchers point to three groups: (Bondarouk et al., 2017; Ruel and Bondarouk, 2014;):

- technological – data integrity, system usability, system integration, current information system architecture, systems produced within the organization versus systems purchased from external vendors.
- organizational – age, size, sector, organizational regulations, and policies on the use of information technology, IT projects planning and management, data privacy, organizational resources, and competencies.
- social – demographic characteristics of employees, communication competencies, attitudes of rank-and-file employees and senior managers, employees' skills in using information systems, organizational culture, and leadership styles.

One of the most frequently analyzed areas of HRM in terms of the use of IT solutions is e-recruitment (Balcerak and Wozniak 2019; Solek-Borowska, 2019; Wolniak, 2019). Nowadays,

almost all the activities performed during the process of recruiting employees can be carried out with the use of information technology. Job vacancies are advertised on specialist portals, social media, or the organization's website. Candidate applications are collected and analyzed in dedicated ATS (Applicant Tracking System) systems, which streamline activities related to recruitment or the selection of candidates. Their use gives organizations many benefits in the form of, for example, reducing the time needed to find the right person for a vacant position, searching for candidates in different sources at the same time, automatically generating reports, managing subsequent stages of recruitment, organizing contacts with candidates, etc. Examples of ATS systems include eRecruiter, Traffiti, Hrlink and Elevato. Candidate selection can also be carried out based on IT solutions. Companies can use a variety of online testing tools to assess candidates' skills. These can be platforms that offer ready-made tests in various fields, or tools for creating and administering tests tailored to the specific needs of a company. With video conferencing platforms such as Zoom, Microsoft Teams, or Google Meet, companies can conduct interviews online. There are also special video recruiting tools that allow candidates to record their answers to recruitment questions and make them available to recruiters for evaluation.

The assignment of goals, types, and effects to the distinguished areas of E-HRM allows the selection of the most appropriate ICT solutions for the described situation. They should allow to meet the reported needs on the part of HR staff, perfectly fit into the implementation of the overall strategy of the organization, which will consequently translate into an increase in the efficiency of the functioning of the entire organization. However, in the process of implementing the selected solutions, one should keep in mind the factors that determine their final effectiveness. These include (Naumova-Mihajlovska and Petkovski, 2023):

■ Support of implementation projects by top management. Managers holding key positions in the organization decide on the direction of development and implementation of state-of-the-art ICT solutions, based on the available resources and the organization's environment. They are also responsible for determining the amount of the IT department's budget that can be spent on modern information technologies, assessing the impact of the technologies used on the functioning of the organization's various departments, including the HR department, or modifying the implemented strategy for comprehensive informatization.

■ Investing in the right IT structure. Stakeholder expectations for improved business performance make it imperative for top management to stay up to date with the latest IT solutions available on the market. The latest operating systems or specialized software, computers, laptops, smartphones, and other communication devices, on the one hand, require high financial outlays, but, on the other hand, they contribute to the efficiency of the organization's operations, as well as to the increasing acceptance of organizational changes associated with ICT investments.

■ Developing ICT competencies. Knowledge and skills regarding the operation and use of information technology play a very important role in decisions regarding their purchase, as well as the speed of their implementation and ultimate use. For this reason, organizations

invest in the development of employees' digital competencies, which consequently translates into an increase in their flexibility in the context of technological change.

■  Shaping an organizational culture that supports investments in the modernization of information technologies. The organizational culture, i.e., a unique set of values, norms, beliefs, and symbols that determine how employees behave in certain situations, has a very strong impact on the functioning of modern organizations. Its effects become apparent not only in human resource management, but also in trust management processes, individual and team learning, innovation or, ultimately, in the organization's finances (Mazur 2021). In the case of information and communication technologies, the organizational culture influences their level of acceptance and thus reduces the time for employees to adapt to new solutions.

■  Accepting the legal and regulatory framework. Despite the many benefits that information technology provides to organizations, it is important to point out some negative consequences of its use. Namely, it is about cybercrime, which for many organizations can be an argument for minimizing ICT investments. Therefore, an important role in this context is played by all legal regulations aimed at combating crime in the virtual space. However, this requires extensive support and pressure on policy makers not only from the public, but especially from managers at various levels of organizational management.

The above factors are not a closed list. However, they are an excellent starting point for a broader discussion, particularly in the context of implementing the concept of E-HRM. Changes in this area spread to the entire organization, not only to the HRM area. From this point of view, their scope should be comprehensively analyzed at the level of entire organizations.

The proposed matrix of E-HRM, integrating technological, organizational, and social factors, aligns seamlessly with the strategic objectives of the organization. This alignment not only enhances operational efficiency but also strengthens the strategic aspects of HRM. By effectively linking technology with organizational culture and dynamics, the E-HRM framework promotes a responsive and adaptable HR function. This approach is vital for creating dynamic and inclusive work environments that support personal growth and well-being, ensuring that E-HRM tools transcend administrative functions to become crucial enhancers of human potential, aligned with the human-centric goals of contemporary organizational management.

## 9.5.  Summary and Final Conclusions

Considering the findings discussed in this chapter, it can be concluded that its **main goal has been achieved**. This goal was to discuss the basic components of E-HRM and to propose, based on them, an E-HRM matrix as a starting point for the selection of information and communication technologies. These components and the E-HRM matrix were explored within the context of supporting dynamic, inclusive work environments that prioritize personal growth and well--being, aligning technology with the human-centric goals of the organization.

The implementation of the concept of E-HRM poses challenges for modern HR managers. This is because it requires not only knowledge of the IT solutions available on the market, the cost of their purchase, implementation, and then maintenance, possession of appropriate digital competencies, but above all knowledge of the very idea behind the concept of E-HRM. The starting point in the development of a target E-HRM system that will best suit the needs of a given organization is the precise determination of the strategy for the digitalization of the HRM area, the goals, the types (levels) at which information and communication technologies play a key role, and the expected results. These four elements of E-HRM form the basis for the development of a system matrix that can serve as a reference in decision-making processes regarding the implementation of various information and communication technologies.

The integration of advanced ICT solutions within HRM practices as outlined through the matrix exemplifies a significant shift toward enhancing both operational efficiencies and strategic capabilities. This transition is crucial as it ensures that HR functions can better support organizational strategies and adapt more quickly to changes, reflecting the growing importance of agility in human resource management. Furthermore, the strategic alignment facilitated by the E-HRM matrix directly supports the creation of work environments that are not only dynamic and inclusive but also conducive to personal development and well-being. By aligning HRM practices with broader organizational goals through strategic use of technology, E-HRM tools serve as catalysts for enhancing human potential within the framework of modern organizational management. Moreover, the matrix's emphasis on selecting appropriate ICT based on a comprehensive understanding of E-HRM components underlines the importance of a thoughtful approach to technology integration. This careful consideration ensures that technology implementations are not just for administrative efficiency but are strategically deployed to bolster human-centric management practices, thereby fostering a culture of engagement and empowerment across the organization.

In summary, the discussion and proposals presented in this chapter reinforce the idea that E-HRM is a powerful enabler of organizational adaptation and human-focused development. By effectively integrating technology with strategic human resources practices, organizations are better positioned to respond to the complexities of the modern business environment while also supporting the well-being and growth of their employees.

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# Chapter 10

## Advancing Human-centric Management through AI-enhanced Recruitment and Selection

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## 10.1. Introduction

As outlined in the previous chapter dedicated to E-HRM solutions, human resources management (HRM) in organizations is increasingly supported by more advanced technological solutions, including those related to artificial intelligence (Whysall et al., 2029). The findings of empirical research demonstrate that, on one hand, HRM can positively influence company performance results (Stor, 2023), and on the other, that HRM practices and technology are complementary resources to achieve higher results (Erro-Garcés and Aramendia-Muneta, 2023). Moreover, the findings also indicate a rising trend of using AI in HRM (Sahoo and Mishra, 2023). These observations underscore the integral role of advanced technologies in enhancing HRM effectiveness and efficiency, bridging the transition from traditional practices to more integrated, technologically driven approaches.

The HRM-supportive technologies mentioned are primarily grounded in the principles of Industry 4.0, which integrates people and digitally controlled machines with the Internet and information technologies (Suleiman et al., 2022). From the HRM perspective, the aim of these initiatives is not to replace humans with robots but to create better workplaces (Stor, 2020, p. 24). Employees benefit from new technological solutions, such as augmented reality, which offer more flexible working conditions, greater organizational support, and enhanced

development opportunities. Consequently, not only work processes but also processes related to HRM in organizations are increasingly reliant on these new technologies. Thus, digitalization and new technologies are viewed as an opportunity to improve the future for employees, management, and HR specialists (Stor and Domaradzka, 2020, p. 9).

While still leveraging Industry 4.0 solutions, HRM is also beginning to make tentative steps towards Industry 5.0 (Ghobakhloo et al., 2023). This next phase further emphasizes the synergy between humans and advanced technological systems, including AI and robotics, focusing on enhancing human-machine collaboration to elevate the role of human creativity and decision-making. This approach advocates for workplaces where technology complements human skills, fostering an environment of co-creation and mutual learning (Adel, 2022). Workers benefit from personalized work experiences and are empowered to utilize technology to improve job quality and work-life balance. Therefore, Industry 5.0 not only revolutionize production processes but also enriches HRM by incorporating ethics, sustainability, and personal fulfillment into the core of business practices. The advent of Industry 5.0 offers a transformative opportunity to redefine the essence of work, making it more humane and responsive to individual needs, thus heralding a significant shift in how work and worker engagement are perceived and implemented.

As declared by the European Commission (2021) Industry 5.0 is built upon three major pillars: resilience, sustainability, and human-centricity. These foundational elements shape the framework within which industries are evolving to integrate more ethical, sustainable, and people-focused practices. Specifically, human-centricity in Industry 5.0, emphasizes the importance of creating workplaces that enhance the collaboration between humans and machines. It focuses on elevating human roles in creativity and decision-making, advocating for technology to complement rather than replace human skills and competencies (Ivanov, 2023). This approach fosters an environment of co-creation and mutual learning, where workers benefit from personalized experiences that improve job quality and work-life balance, embedding ethics and personal fulfillment into core business practices.

Artificial intelligence (AI) is utilized across various facets of HRM, including recruitment and selection, where AI streamlines processes through resume analysis and predictive candidate screening (Ore and Sposato, 2022). AI also enhances employee development by creating personalized training programs, based on data-driven insights into individual learning needs and performance patterns (Ekuma, 2023). For performance management, or employee performance appraisal, AI automates tracking and leverages historical data to predict outcomes and suggest performance improvements (Varma et al., 2021). Additionally, AI aids in employee engagement and retention through sentiment analysis and turnover predictions, allowing for proactive engagement strategies. In HRM operations, AI boosts efficiency by automating tasks like payroll, benefits administration, and compliance tracking. Finally, AI supports HRM decision-making by providing comprehensive analytics on workforce trends and compensation strategies, enhancing overall decision quality and operational effectiveness in HRM (Zhai et al., 2024).

Among the various applications of artificial intelligence AI in HRM outlined above, this chapter particularly emphasizes AI's role in recruitment and selection. AI's integration in this HRM domain enables organizations to effectively address labor shortages, an issue highlighted in Chapter 1, through cost optimization and improved candidate matching. Furthermore, leveraging AI in recruitment and selection responds to the expectations of both potential and current employees for modern and advanced technological solutions, a point emphasized in Chapter 2. This approach is particularly relevant for engaging Generation Z, as discussed in Chapters 7 and 8, who value innovative and efficient processes. Thus, the use of AI in recruitment and selection not only enhances operational efficiency but also aligns with strategic HR objectives to attract and retain tech-savvy talent, making it a critical area of focus in the evolution of HR practices.

Considering that the leading theme of this monograph is *Human at the Center of the Organization*, and that HRM activities should be prepared for the era of Industry 5.0, which one of its fundamental pillars is human-centricity, **the main goal of this chapter** is to conduct a discussion on the selected advantages and disadvantages of using AI in recruitment and selection from the perspective of the human-centric management paradigm and to formulate fundamental recommendations within this scope for business practice.

## 10.2. The Impact of AI on HRM Processes

As businesses evolve in the dynamic landscape of modern industry, the deployment of AI across HRM processes is transforming organizational structures and operational dynamics. The rapid shift toward digital transformation, accelerated by global events such as the SARS--CoV-2 pandemic, has emphasized the critical role of AI in fostering a more human-centric approach in organizations. This transition highlights the importance of integrating technology in ways that prioritize the well-being and development of employees as central to organizational success. AI technologies are not just automating tasks but are reshaping how strategic HRM decisions are made and executed in alignment with human-centric management principles.

Contemporary organizations operate in a constantly changing environment where modern communication techniques and technologies are gaining importance. Some main reasons for implementing changes are demographic transformations in the labor market, changes in the structure of employee competencies, and changes in attitudes toward work. These shifts underscore the growing relevance of human-focused management strategies that support a diverse and adaptable workforce. The SARS-CoV-2 pandemic has created a new reality in the market, revealing the need to implement many automated solutions. As a natural consequence of emerging new trends in the market and the recognition of the need for change, there is a progressing digitization process (Pabian, 2021). The integration of AI within these processes supports the creation of an organizational culture that values flexibility, innovation, and employee empowerment. The use of AI in management processes has been observed for several years. Still, the pandemic has indicated new needs in this area and the previously untapped potential of organizations operating in cyberspace (Maternowska, 2022).

In the context of evolving HR paradigms, the potential of advanced techniques, machine learning, and algorithms is particularly significant. These technologies enable HRM representatives to optimize business processes, eliminate errors, and streamline data analysis to make more accurate decisions (Toczyski, 2017). This technological empowerment is a cornerstone of human-centric organizations that aim to enhance employee experiences and operational efficiency concurrently. This shift is not only about integrating new tools but also about fundamentally rethinking the roles within HR departments to enhance efficiency and effectiveness.

All this means that, as we move deeper into the digital age, the intersection of AI and HRM continues to grow more intertwined. These developments suggest a future where HRM not only adapts to changes brought about by AI but also proactively leverages these technologies to foster a more dynamic, responsive, and efficient workplace. This is essential in the era of human-centric management, where the focus is increasingly on creating work environments that prioritize the holistic well-being of every team member. This evolution is crucial for organizations aiming to maintain competitiveness in a rapidly changing world.

## 10.3. AI in Recruitment and Selection of Applicants

Since recruitment and selection are the main focus of this chapter, it is important to clarify how they relate to other activities undertaken within HRM. It should be noted that in this monograph, they are understood as components of staffing the organization, which in turn is treated as one of the HRM subfunctions (Stor, 2024). As for staffing itself, is understood as a set of activities seeking to obtain the right people for the organization and fulfilling the vacancies in the appropriate way so that a company can function efficiently and continuously. The goal of staffing is to match the qualifications and competencies of the job candidates with the needs of the organization. In this approach, staffing is composed of three stages (Stor, 2023, p. 60):

1) recruitment – activities that rely on encouraging applicants to apply for the job openings,
2) selection – identification, measurement, and evaluation of these applicants' qualities that are necessary to be admitted to the post and choosing the most appropriate individual/ individuals from a pool of recruited applicants,
3)  placement – introducing and familiarizing new employees with the processes of work and its environment so that they perform their work efficiently and with engagement.

Staffing the organization may cover various types of HRM activities that aim to bring new people into the organization (form external labor market) or current employees into their new positions (from internal labor market) and making sure that they serve as valuable assets to the workforce (Stor, 2023, p. 60). However, as already mentioned, only two components of staffing are considered in this chapter, i.e. recruitment and selection. At this point, it is worth emphasizing that one of artificial intelligence's most commonly supported processes is candidate recruitment and selection. This may be due to the processing of large amounts

of data, the repetitiveness of tasks, or their prioritization (Stylec-Szromek, 2018). In any case, it can be said that AI opens up new possibilities for HR departments by changing employee recruitment and selection processes. Introducing automation through CV assessment, competency analysis, and conducting initial interviews eliminates time-consuming tasks, allowing recruitment teams to focus on candidates with the most significant potential (Messeri Crockett, 2024).

Building on the exploration of AI in recruitment and selection, the details in Table 22 provide a comprehensive look at specific applications of AI technologies in these areas. It describes various HRM activities where AI plays a crucial role, offering both descriptions and technological solutions that enhance these processes. This focus on practical implementations showcases how AI tools not only automate but also refine the recruitment and selection processes, ensuring an optimal match between organizational needs and candidate capabilities. These insights further illuminate how AI can transform the efficiency and effectiveness of HRM practices in selecting and engaging potential employees.

**Table 22.** AI applications in recruitment and selection processes with activities and technological solutions

| HR Activity | Description and Technological Solutions |
| --- | --- |
| Resume screening | AI tools employ natural language processing (NLP) and machine learning algorithms to automatically parse and analyze resumes. This technology extracts relevant information such as skills, experience, and education, allowing for quick identification of candidates who match job requirements. |
| Candidate sourcing | AI is utilized to scan various online platforms, including job boards, social media sites, and professional networks, to find candidates who may not have applied directly but possess the necessary qualifications and experience. AI systems use keyword matching and semantic search techniques to expand the talent pool beyond active applicants. |
| Automated candidate engagement | AI-driven chatbots and automated messaging systems maintain continuous communication with candidates. These systems can answer queries, provide updates, and guide applicants through the initial stages of the application process. This interaction is based on scripts that can dynamically adapt to the questions posed by candidates, ensuring consistent and informative communication. |
| Interview scheduling | AI simplifies the coordination of interviews by automating the scheduling process, aligning candidate availability with hiring team schedules. Technological Solution: Automated scheduling tools sync with company calendars to facilitate hassle-free appointment setting. |
| Candidate assessment | AI tools analyze video interviews to assess non-verbal cues and verbal responses, which help in evaluating candidate suitability beyond traditional assessments. Technological Solution: Video interview analytics employ AI to analyze gestures, facial expressions, and voice tones to provide insights into candidates' personalities and emotional intelligence. |
| Enhanced decision-making | AI systems are trained to learn from historical hiring data, improving the prediction of candidate success and optimizing future hiring decisions. Technological Solution: Machine learning algorithms refine selection criteria and processes by learning from outcomes of previous hiring decisions to enhance predictive accuracy. |

Source: developed based on (Horodyski, 2023; Ore and Sposato, 2022).

The integration of AI technologies in recruitment and selection embodies the principles of human-centricity, central to Industry 5.0 and human-centric management. By automating administrative tasks, AI enables HR professionals to devote more time to personal interactions, enhancing the candidate experience and emphasizing the organization's commitment to its people. This approach not only makes the recruitment and selection processes more efficient but also more attuned to the needs and aspirations of candidates, ensuring that every interaction reflects the organization's values of inclusivity, respect, and personal growth. In this way, AI tools contribute to building a workplace that values and actively supports the holistic well-being of its members, aligning with the overarching goals of human-centric organizations.

## 10.4. Challenges and Opportunities in AI-enhanced Recruitment and Selection

As discussed in the previous section, the integration of AI in recruitment and selection processes not only enhances the efficiency of these activities but also introduces new dimensions to how organizations engage with potential candidates. By leveraging the potential of artificial intelligence, companies can personalize job offers for specific candidates. Machine learning algorithms can analyze candidates' preferences and skills, providing them with proposals tailored to their expectations. This approach not only enhances the attractiveness of job offers but also builds a positive image of the company as an employer focused on the needs of its employees (Sircar et al., 2021). Furthermore, modern artificial intelligence systems make inferences about candidate behavior, providing valuable information about their professionalism and work culture.

It is worth noting that AI tools can constantly improve their skills and adapt to changing needs and market conditions. As they acquire new data and experiences, algorithms become more effective in identifying candidate selections. However, the PwC report (2022) results show that 43% of surveyed organizations do not use or see the need to implement artificial intelligence and machine learning in the recruitment and selection process. On the other hand, 34% of the respondents see the potential but have not yet had experience with them.

The implications of the same report also showed that only 5% of recruiters fear the introduction of new technologies in HRM. The remaining respondents (95%) believe that AI will not replace them in their positions but will support their actions. According to the participants, automated tasks related to candidate identification, initial analysis, and reaching out to qualified candidates will be streamlined (PwC, 2022). Furthermore, the study participants believe that artificial intelligence will not replace recruiters communicating with candidates (by phone, email, or in person).

However, it is worth noting that among the many benefits of using artificial intelligence tools, threats are associated with them. The synthetic comparison of the opportunities and threats posed by AI in candidate recruitment and selection is presented in Table 23.

**Table 23.** Advantages and disadvantages of using AI tools employee recruitment and selection

| Pros | Cons |
|---|---|
| ■ It eliminates recruiter bias. The tool proposes questions that exclude competencies required for a specific position without considering the candidates' previous experience.<br>■ Sourcing and screening candidates. Verifying candidates' competencies (without direct contact with them) is possible thanks to various AI tools facilitating this process.<br>■ Natural Language Processing (NLP) allows for analyzing sentence structures in professional resumes and comprehensively assessing candidates' interpersonal and communication skills.<br>■ Automation of the candidate skills assessment process. AI-based tools analyze the results of competency tests (conducted in a virtual space) of candidates, simultaneously comparing them with the job requirements.<br>■ Effective performance of routine tasks through automation, improving efficiency in the recruitment process.<br>■ Enhanced decision-making capabilities through detailed analytics on candidate data.<br>■ Reduction in human biases in the recruitment process, thanks to standardized AI screening processes. | ■ The time-consuming nature of creating AI tools to support employee recruitment processes. Chatbot providers used in recruitment (e.g., Ari, Textrecruit, Mya, or Hiremya.com) state that training an intelligent chatbot takes over a year.<br>■ There is a need to introduce a layer of human supervision. The ATS tool (algorithm for selecting candidate applications) is selected based on returns and keywords. Therefore, it is necessary to verify automated choices directly by the recruiter.<br>■ The possibility of losing privacy and the threat to personal data protection. Because AI development often requires access to large datasets, it is necessary to provide appropriate measures to minimize the risk of misuse.<br>■ Dependency on technology. Entrusting business processes (including employee recruitment) should rely on the conscious, rational, and responsible use of AI tools.<br>■ Fears of job losses to automation, even though jobs for human recruiters are expected to persist due to the need for human interaction.<br>■ Ethical concerns regarding privacy, data protection, and the potential for inheriting biases from training data.<br>■ General distrust in AI's ability to perform recruitment tasks without errors or biases, concerns over AI's interpretation abilities. |

Source: own work based on (Gupta et al., 2021; Ore and Sposato, 2022; Salvagno et al., 2023).

The above considerations are confirmed by the results of the PARP report (2023) on the impact of artificial intelligence in Polish organizations. It turns out that 22% of respondents are concerned about the growing importance of AI and automation in their positions, and 36% fear job loss. So far, only 13% of respondents have used AI-based tools at work. On the other hand, 51% of respondents reacted positively to AI recommendations presenting the most suitable job offers. However, 27% declare a negative attitude towards AI's initial selection of candidates' resumes.

Despite the significant increase in interest in artificial intelligence, typically human skills are still in high demand. The Deloitte report (2024) indicates that 63% of surveyed organizations seek people who can solve complex problems; cognitive skills are essential for 55% of respondents, and methodological and social skills for 54% and 52%, respectively. It is also worth mentioning that according to the World Economic Forum study (2023), among the top

ten skills that will be most important in the next decade are essential human skills such as critical thinking, creativity, and people management.

Effective implementation of AI-based solutions requires significant time, resources, and commitment from the IT team and management staff. It is a complex process that requires consideration of various factors, such as analyzing organizational needs, integrating existing systems, developing appropriate algorithms, and training staff. Additionally, ensuring compliance with legal regulations and ethical principles related to the use of personal data is necessary (Jiang et al., 2022). These requirements underline the need for a thorough and ongoing commitment to refining AI applications within human resources.

As this technology evolves, implementing artificial intelligence is an iterative process that requires continuous monitoring, testing, and adjustment of solutions to meet changing needs and market conditions. While the benefits of using AI in HR can be significant, it is essential to be aware that the implementation process can be demanding and time-consuming, and success depends on proper planning, commitment, and process management (Haug and Drazen, 2023). This continuous development cycle ensures that AI tools remain effective and responsive to the dynamic nature of the workplace.

With AI's integration becoming more profound, machine learning is already changing the workplace, with innovative companies leading the way and putting people at the center of designing and implementing systems. Both companies and employees must understand that technology is a powerful ally that supports rather than replaces human abilities. Harnessing the potential of AI to drive growth and increase productivity will require organizations to prioritize talents and be open to change (Angelov et al., 2021).

## 10.5. Summary and Final Conclusions

**The main goal of this chapter** was to conduct a discussion on the selected advantages and disadvantages of using AI in recruitment and selection from the perspective of the human-centric management paradigm and to formulate fundamental recommendations within this scope for business practice. In terms of these advantages and disadvantages, this goal can be considered achieved, and the interpretation of these findings from the perspective of human--centric management together with practical recommendations will be conducted here.

Exploring the advantages and disadvantages of AI in recruitment and selection through the lens of human-centric management offers valuable insights into how technology intersects with human-focused organizational practices. The advantages clearly highlight AI's role in enhancing the accuracy and efficiency of recruitment processes. This technology-driven efficiency can be leveraged to foster a supportive and engaging hiring environment, crucial for attracting top talent in competitive markets. AI's capability to process large data sets can reduce biases traditionally present in human evaluations, promoting a more equitable and inclusive hiring process. This alignment with human-centric principles supports the broader objectives of creating transparent, fair, and diverse workplaces.

The role of AI in automating routine tasks allows HR professionals to dedicate more time to strategic decision-making and nurturing candidate relationships, aligning with the ethos of human-centricity that values personal engagement and development. However, the integration of AI also introduces challenges that could potentially conflict with the essence of human--centric organizations. A significant concern is the potential for AI to depersonalize the recruitment and selection experience. While AI can streamline processes, it may also reduce the personal interaction between recruiters and candidates—interactions that are crucial for understanding a candidate's deeper qualities and potential fit within a company's culture. This shift could undermine efforts to build a workplace that values individual differences and personal connections, which are core to human-centric management.

Moreover, the reliance on AI raises ethical questions, particularly regarding privacy and data security. Mismanagement of candidate data could lead to breaches of trust, impacting the organization's reputation and its relationship with potential employees. It's imperative for organizations to implement robust data protection measures that not only comply with legal standards but also align with ethical considerations central to human-centric practices. The challenge lies in employing AI tools responsibly, ensuring they enhance rather than compromise the recruitment and selection process.

To navigate these ethical landscapes effectively, organizations might consider establishing AI ethics committees or advisory boards that include diverse stakeholder perspectives, ensuring that AI deployments are scrutinized for fairness and inclusivity. To truly benefit from AI in a human-centric framework, organizations should adopt strategies that prioritize ethical AI use and maintain the human touch in recruitment and selection. This includes training HR teams on ethical AI practices and developing guidelines that ensure AI applications respect candidate privacy and are transparent about data usage. Furthermore, fostering a culture that views technology as a complement to human skills, rather than a replacement, can reinforce the values of human-centric management, emphasizing respect, inclusivity, and personal growth.

These reflections underscore the need for a balanced approach to AI integration, where technology serves as an enhancer of human capabilities within the framework of human--centric management. By proactively addressing these challenges, organizations can not only harness AI to streamline recruitment processes but also enhance their commitment to building workplaces that prioritize human welfare and development. By doing so, they can leverage AI to not only improve operational efficiencies but also to foster a supportive and respectful workplace environment, true to the principles of a human-centric organization.

In conclusion, the integration of AI in recruitment and selection offers significant opportunities to advance human-centric management by optimizing operational efficiency and promoting fair and unbiased hiring practices. However, it also necessitates a vigilant approach to maintain the human touch, uphold ethical standards, and ensure that technology enhances rather than detracts from the human aspects of organizational culture. As organizations continue to navigate the complexities of AI, aligning technological strategies with the core values of human-centricity — such as respect, inclusivity, and personal development — will be paramount. This strategic alignment not only supports the practical

goals of recruitment and selection but also strengthens the foundation of a workplace committed to the holistic well-being of its people, thereby sustaining competitive advantage in a rapidly evolving digital landscape.

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# Chapter 11

## Exploring Diverse Personal Definitions of Career Success in the Polish Labor Market within a Human-centric Management Framework

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## 11.1. Introduction

In the previous two chapters, we focused on various technological solutions that support activities undertaken in HRM. Such solutions should consider the expectations and needs of employees, which determine employee loyalty and job performance (discussed in Chapter 2) and shape employee work engagement and job satisfaction (Chapter 5). It is crucial to consider these issues in light of the size and type of organization as well as generational differences, as demonstrated in Chapters 6-8.

Another important issue is employees' understanding of career success, which is one of the key concepts in understanding individuals' labor market decisions and behaviors, which we focus on in this chapter. What a person considers to be career success is connected with their main characteristics such as age (Dries et al., 2008; Kim et al., 2022), gender (Dyke and Murphy, 2006; Fernandez et al., 2023), socioeconomic background (Andersen and Stapf, 2022; Fernandez et al., 2023; Hennequin, 2007) or country of origin (Benson et al., 2020; Kaše et al., 2018), however it is also affected by their unique experiences and labor market trajectory (Nugin and Onken, 2010). Nevertheless, most existing research relies on operational definitions prepared by the research team, not taking into consideration how study participant understand the term.

Addressing the concept of career success is crucial as it influences not only individuals but also the overall vitality of the organization. Understanding these personal definitions of success within the wider context (c.f. Kaše et al., 2020) is essential, especially from a human-centric management perspective. This paradigm shifts focus from treating employees as mere resources to recognizing them as key stakeholders, with distinct needs and aspirations. This alignment is essential in today's rapidly evolving work environments, where employee well-being and organizational culture are becoming as significant as economic outcomes. This perspective prioritizes the employee's individual goals (including their personal definitions of career success) and well-being within the organizational context, aiming to harmonize them with broader organizational objectives. By focusing on human-centric values, organizations commit to fostering environments, where employees can achieve both personal and professional growth, recognizing that each individual's perception of career success can significantly influence their motivation and work-related decisions.

In the above context, **the goal of this chapter** is to identify and analyze definitions of career success present in the Polish labor market and to interpret them from the perspective of the human-centric management paradigm. The findings in this area will also help formulate practical recommendations for organizations, that want to be perceived as human-centric.

## 11.2. The Theoretical Framework for the Study

Career success is one of the main concepts influencing and shaping individuals' labor market behaviors, decisions and aspirations. It is also a widely researched topic for sociology, psychology and management studies.

However, the majority of the existing studies concern factors increasing or decreasing individuals' chances of achieving career success without defining the concept. Studies either use operationalizations coming from the researchers, not the study participants, like income and job satisfaction (e.g. Danner et al., 2019), annual income and managerial level (e.g. Frear et al., 2018) or ask specific questions about circumstances of achieving (or not) career success without inquiring what career success means to the respondents/ interviewees. The fact that the term belongs simultaneously to scientific and everyday language complicates the situation further.

Moreover, the terms occupational success, career success and job success can sometimes be used interchangeably. Polish term 'sukces zawodowy' is a close translation of both occupational success and career success. In this study, we will focus on the most general meaning of career success as the success in occupational life/ success achieved in the labor market.

In terms of defining career success, there are three main threads: subjectivity/ objectivity, level of definition and its temporal dimension. Firstly, in defying and measuring career success, we can distinguish between objective and subjective aspects (Judge et al., 1995; Zhou et al., 2013). Subjective success is an internal, psychological phenomenon based on individuals' feelings, attitudes and evaluations (Gunz and Heslin, 2005; Ng et al., 2005; Shockley et al., 2015). On the other hand, objective success can be measured with observable indicators such

as income, place in the organizational hierarchy or size of the managed team (Gunz and Heslin, 2005). Subjective and objective aspects of success can concur in the individual's occupational biography, which would usually be the most desirable situation. However, the opposite (achieving only subjective or only objective success) is also possible (Abele et al., 2011; Korman et al., 1981; Nicholson and Waal-Andrews, 2005).

As for the level of definitions, success can be defined both on the individual level and as a broader social norm present in society or a social group at the given time. Several international studies have shown how definitions of career success vary between societies, depending on their history, culture and economic development (Benson et al., 2020; Kaše et al., 2018). Career success can also be defined on the meso-level of different social groups. Ones most likely to create and use those definitions are the occupational groups, especially when the general society-wide definition of success does not match their particular situation (cf. Coles, 2018; Eith et al., 2010). On the other end of the spectrum, each individual's unique experiences and values shape how they define the concept of success for their own occupational life.

Finally, the time dimension of the definition of career success is the least researched. Analyzing the concept in connection with the concept of the career, understood as a longitudinal phenomenon happening over time, success can be seen as an 'end result' of the career or the 'destination' towards which the career led. However, this operationalization relates mainly to the traditional career model (Collin and Watts, 2000), in which individuals' occupational trajectory is limited to one occupation or specialization (or even one workplace). This is reflected in some definitions, such as: 'Career success is an outcome of a person's career experiences. Career success may be defined as the accomplishment of desirable work-related outcomes at any point in a person's work experience over time' (Arthur et al., 2005, p. 179) or 'the real or perceived achievements individuals have accumulated as a result of their work experiences' (Judge et al., 1995, p. 621).

However, new career models, which assume the possibility of changes in occupations, workplaces and motivations in the occupational lives also bring about new understandings of career success, as to mention kaleidoscope career (Mainiero and Sullivan, 2005), protean career (Hall, 2004), boundaryless career (Arthur et al., 1989) or life-career rainbow (Super, 1980). They also provoke the question on whether career success can be achieved more than once in a lifetime. Januszkiewicz (2012) argues that the new career paradigm means that individuals strive to achieve success multiple times in their (occupational) life, seeing it more as a defining point of the career, not the culmination of the career as a whole.

Besides the question about the (non)recurring nature of career success, the time dimension also concerns its continuity. In this context, another question arises, namely whether the concept describes one-off achievements (finishing a project, being promoted, obtaining a reward) or more longitudinal states (desirable characteristics of a job position such as high income or occupational prestige). In our previous qualitative study of Polish migrants' definitions and experiences of career success, we proposed the position-based model of career success to describe the (dominant in our sample) situation where career success is defined through continuous situations where a person is satisfied with different aspects of their occupational situation (Czeranowska, 2023).

The theoretical background presented in this section will be used to interpret findings from the empirical study and help formulate practical recommendations for organizations, based on aligning organizational strategies with individual definitions of career success. Such alignment not only supports the individual's career development, but also strengthens the organization's capacity to adapt and thrive in a changing economic landscape, making the human-centric management approach a strategic imperative in contemporary organizational practice.

## 11.3. The Methodics of the Conducted Empirical Research

Our analysis is based on data from the project 'Definitions and experiences of career success in Polish society – a quantitative study' co-financed by the Ministry of Education and Science subsidies for maintaining and developing the didactic and research potential of the SWPS University. The project aimed to analyze how career success is defined and experienced in the Polish labor market. We used quantitative methodology; a CAWI (Computer Assisted Web Interview) survey was conducted in June 2023. The questionnaire included questions about definitions of career success and respondents' own experiences with achieving (or not achieving) career success and the impact it had on their lives.

The survey was conducted on the internet panel. We used random quota sampling, with quotas according to representation in the Polish population for gender, age and size of locality of residence. In total, 1047 panel participants took part in the study.

**Table 24.** Facets of career success

| Type | Facets |
|------|--------|
| Good working conditions | 1) High income<br>2) A lot of freedom to carry out professional tasks<br>3) Work-life balance<br>4) Enjoying one's job<br>5) Good personal relations in the workplace, working in a friendly atmosphere<br>6) Job stability |
| Power and influence | 1) High position in the organizational hierarchy<br>2) Exercising power, being the person who makes important decisions in the workplace<br>3) Recognition in the professional environment, being an expert<br>4) Managing a large team<br>5) Being an expert known outside the professional environment, media presence<br>6) Running own business, 'being one's own boss' |
| Self-realization and social utility | 1) Performing work that is important to society, social usefulness of one's job<br>2) Prestigious profession<br>3) Having high qualifications<br>4) Opportunities to develop at work, continuous improvement of qualification<br>5) Having a job one is passionate about, in line with their interests<br>6) Achieving high standards in the work performed |

Source: project 'Definitions and experiences of career success in Polish society – a quantitative study', own elaboration.

Our respondents were asked about their definition of career success with a question: 'People define career success in different ways. We would like to ask what elements are important to you in assessing whether someone has achieved career success. Please select the five most important elements'. They were to choose the five most important elements from the list of 'facets of career success' prepared on the basis of a literature review. We included 18 facets, which are be grouped into three types: 'Good working conditions', 'Power and influence' and 'Self-realization and social utility'. Those three types are presented in Table 24.

## 11.4. The Empirical Research Findings

The most frequently chosen options for the question about the definition of career success were *Enjoying one's job* with *High income* and *Job stability*. Those three answers were chosen by over half of the sample. All of them can be linked to the 'Good working conditions' type of defining career success. The three least frequently chosen options were all connected to the objective dimension of career success, representing the 'Power and influence' type of career success definitions: *High position in the organizational hierarchy*, *Being an expert known outside the professional environment, media presence* and *Managing a large team* were all chose by less than 10% of the respondents. Frequencies of all answers are presented in Table 25.

**Table 25.** The ranking of career success facets based on multiple choice question

| Facets | % of respondents |
|---|---|
| Enjoying one's job | 56.9 |
| High income | 53.2 |
| Job stability | 50.2 |
| Work-life balance | 47.1 |
| Having a job one is passionate about, in line with their interests | 41.5 |
| Good personal relations in the workplace, working in a friendly atmosphere | 38.7 |
| Independence in professional tasks | 31.0 |
| Opportunities to develop at work, continuous improvement of qualifications | 29.4 |
| Having high qualifications | 26.7 |
| Recognition in the professional environment, being an expert | 24.2 |
| Achieving high standards in the work performed | 19.4 |
| Performing work that is important to society, social usefulness of one's job | 17.2 |
| Running own business, „being one's own boss" | 14.6 |
| Prestigious profession | 12.6 |
| Exercising power, being the person who makes important decisions in the workplace | 10.3 |
| High position in the organizational hierarchy | 9.80 |
| Being an expert known outside the professional environment, media presence | 9.80 |
| Managing a large team | 6.80 |

Source: own empirical research.

**Table 26.** The correlation matrix between variables that constitute elements defining career success

| Variables | High income | Social usefulness | High position | Exercising power | Independence in professional tasks | Professional recognition | Managing a large team | Work-life balance | Prestigious occupation | High qualifications | Self-development | Enjoying one's job | Being passionate about job | High work standards | Friendly workplace | Job stability | Running own business | Media presence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High income | 1 | -.126** | .021 | -.078* | -.128** | -.101** | -.021 | -.112** | -.030 | -.039 | -.062* | -.058 | -.079* | -.106** | -.139** | .035 | -.083** | -.076* |
| Social usefulness | -.126** | 1 | -.006 | -.005 | -.065* | -.098** | -.002 | -.105** | -.036 | -.075* | .006 | -.069* | -.055 | .013 | -.024 | -.098** | -.038 | -.057 |
| High position | .021 | -.006 | 1 | .109** | -.055 | .061* | .089** | -.138** | .068* | .003 | -.094** | -.179** | -.122** | .008 | -.131** | -.178** | -.010 | .095** |
| Exercising power | -.078* | -.005 | .109** | 1 | -.044 | .007 | .096** | -.112** | .041 | -.028 | -.074* | -.200** | -.063* | .032 | -.140** | -.152** | .029 | .120** |
| Independence in professional tasks | -.128** | -.065* | -.055 | -.044 | 1 | -.056 | -.050 | -.029 | -.068* | -.112** | -.098** | -.029 | -.130** | -.073* | -.062* | -.055 | .003 | -.034 |
| Professional recognition | -.101** | -.098** | .061* | .007 | -.056 | 1 | -.010 | -.144** | .014 | .027 | -.115** | -.140** | -.041 | .005 | -.109** | -.206** | -.006 | .076* |
| Managing a large team | -.021 | -.002 | .089** | .096** | -.050 | -.010 | 1 | -.125** | .126** | .000 | -.049 | -.111** | -.150** | -.036 | -.050 | -.142** | .028 | .013 |
| Work-life balance | -.112** | -.105** | -.138** | -.112** | -.029 | -.144** | -.125** | 1 | -.139** | -.164** | -.088** | .052 | -.015 | -.163** | .072* | .047 | -.092** | -.138** |
| Prestigious occupation | -.030 | -.036 | .068* | .041 | -.068* | .014 | .126** | -.139** | 1 | .044 | -.119** | -.129** | -.116** | -.033 | -.124** | -.146** | .079* | .010 |
| High qualifications | -.039 | -.075* | .003 | -.028 | -.112** | .027 | .000 | -.164** | .044 | 1 | -.059 | -.119** | -.085** | .031 | -.192** | -.089** | -.079* | -.004 |
| Self-development | -.062* | .006 | -.094** | -.074* | -.098** | -.115** | -.049 | -.088** | -.119** | -.059 | 1 | -.069* | -.064* | -.057 | -.031 | -.053 | -.036 | -.058 |
| Enjoying one's job | -.058 | -.069* | -.179** | -.200** | -.029 | -.140** | -.111** | .052 | -.129** | -.119** | -.069* | 1 | -.077* | -.144** | .018 | .056 | -.055 | -.153** |
| Being passionate about job | -.079* | -.055 | -.122** | -.063* | -.130** | -.041 | -.150** | -.015 | -.116** | -.085** | -.064* | -.077* | 1 | -.031 | -.053 | -.068* | -.052 | -.070* |
| High work standards | -.106** | .013 | .008 | .032 | -.073* | .005 | -.036 | -.163** | -.033 | .031 | -.057 | -.144** | -.031 | 1 | -.117** | -.121** | -.046 | .025 |
| Friendly workplace | -.139** | -.024 | -.131** | -.140** | -.062* | -.109** | -.050 | .072* | -.124** | -.192** | -.031 | .018 | -.053 | -.117** | 1 | .053 | -.162** | -.131** |
| Job stability | .035 | -.098** | -.178** | -.152** | -.055 | -.206** | -.142** | .047 | -.146** | -.089** | -.053 | .056 | -.068* | -.121** | .053 | 1 | -.199** | -.152** |
| Running own business | -.083** | -.038 | -.010 | .029 | .003 | -.006 | .028 | -.092** | .079* | -.079* | -.036 | -.055 | -.052 | -.046 | -.162** | -.199** | 1 | .036 |
| Media presence | -.076* | -.057 | .095** | .120** | -.034 | .076* | .013 | -.138** | .010 | -.004 | -.058 | -.153** | -.070* | .025 | -.131** | -.152** | .036 | 1 |

Notes:
Marked correlations are significant at: *$p < 0.05$, **$p < 0.01$.

Source: own empirical research.

We also looked at relationships between the elements of career success definitions. As for the binary categorical variables, Pearson's r correlation coefficient is equal to phi coefficient (Guilford, 1936), we used the Pearson correlation (see Table 26).

We can see that several pairs of answers are correlated. However, all those correlations are weak. The strongest positive correlations are between *Prestigious occupation* and *Managing a large team* (r=0.126, p<0.001) and *Being an expert known outside the professional environment, media presence* and *Exercising power, being the person who makes important decisions in the workplace* (r=0.120, p<0.001). The strongest negative correlations are between *Recognition in the professional environment, being an expert* and *Job stability* (*r*=-0.206, *p*<0.001) and *Exercising power, being the person who makes important decisions in the workplace* and *Enjoying one's job* (r=-0.200, p<0.001).

As each respondent was asked to choose five options from the presented 18, we also looked at the sets of answers chosen together. We argue that those sets of career success facets can be treated as 'personal definitions' of career success. The most important finding is the uniqueness of those personal definitions – 55.2% of the respondents chose a set of answers that were not repeated throughout the sample. Moreover, only five sets of answers appeared more than ten times in our sample of 1047 persons. The most frequent set of options occurred 21 times (2.01% of the sample). It included *High income*, *Enjoying one's job*, *Work-life balance*, G*ood personal relations in the workplace, working in a friendly atmosphere* and *Job stability.* The five most frequent sets are presented in Table 27.

**Table 27.** Top five most common combinations of career success facets selected by respondents from multiple choice questions

| Sets of answers | % of respondents |
|---|---|
| 1. High income + Enjoying one's job + Work-life balance + Good personal relations in the workplace, working in a friendly atmosphere + Job stability | 2.01 |
| 2. Enjoying one's job + Work-life balance + Good personal relations in the workplace, working in a friendly atmosphere + Job stability + Having a job one is passionate about, in line with their interests | 1.72 |
| 3. Independence in professional tasks + Enjoying one's job + Work-life balance + Good personal relations in the workplace, working in a friendly atmosphere + Job stability | 1.34 |
| 4. High income + Independence in professional tasks + Enjoying one's job + Work-life balance + Job stability | 1.34 |
| 5. High income + Work-life balance + Enjoying one's job + Having a job one is passionate about, in line with their interests + Job stability | 1.05 |

Source: own empirical research.

It is important to note that in our multiple-choice questions, respondents chose elements of the definition of career success without ranging them in importance. We may assume that if they were asked to establish a hierarchy of the chosen elements, the diversification of answers may be even higher.

## 11.5. Summary and Final Conclusions

**The main goal of this chapter** was to analyze the concept of career success in the Polish labor market and to interpret it from the perspective of the human-centric management paradigm. Additionally, our intention was to formulate practical recommendations for organizations that want to be perceived as human-centric. This section will present summary of our analysis, as well as their interpretation and guidelines for organizational practice.

The options chosen for the question about the elements of the definitions of career success were mostly focused on good working conditions. All three most frequently chosen answers (*Enjoying one's job*, *High income* and *Job stability*) were desirable characteristics of a job position. This is consistent with our previous finding from the qualitative study (Czeranowska, 2023) in which career success appeared to be primarily understood longitudinally in terms of achieving a good job position. Moreover, we can see that the most chosen option (*Enjoying one's job*) as well as the third one (*Job stability*) are of the subjective character, while the second (*Income*) represents objective success (Gunz and Heslin, 2005).

As for the set of answers, it is essential to note that the most frequent of them was chosen by only 21 respondents (2.01%), and 55.2% of our sample had chosen a set of answers that was not repeated throughout the sample. This means that there are multiple unique ways of defining career success (*c.f.* Dries, 2011). All correlations between chosen elements of definition of career success are weak, which further confirm unique and personal character of those definitions.

From a human-centric management perspective, these findings suggest that organizations should honor the diversity of employees' motivations and needs. This strategy needs to be based on engaging with employees to understand their unique perspectives and values (*c.f.* Dziuba et al., 2020). By integrating employee feedback into decision-making processes and development plans, organizations can ensure that their strategies are genuinely aligned with the diverse needs and goals of their staff. Such efforts enhance employee engagement and commitment, ultimately cultivating a workplace where career success is both recognized and celebrated in various forms. This approach is also directly beneficial for organizations because empirical research shows that effectively shaping employee work engagement and job satisfaction positively impacts company performance results, including financial outcomes (Stor, 2024).

As the high diversification in the sets of answers (personal definitions of career success) shows the shift towards more personalized and varied interpretations of what constitutes career success, organizations should strive to take employee's different needs into consideration. Incorporating the concept of multiscope employee development (MED) as outlined by Stor (2023a), which integrates various developmental constructs and personal characteristics into a cohesive strategy, could enhance these efforts by providing a more holistic approach to employee growth and career success. Organizations aiming to align with a human-centric framework should adopt personalized and innovative career development programs that recognize and support diverse employee aspirations and definitions of success (*c.f.* Kettunen,

2023). This could involve tailored development paths and recognizing unique contributions and achievements, rather than a one-size-fits-all approach (*c.f.* Lehtonen et al., 2022). These systems should be designed including adequately constructed employee performance appraisal that shape employee performance, which consequently determines company performance results (Stor, 2023b). This is particularly important as empirical research shows that proper talent management within an organization can positively influence organizational outcomes, thereby delivering better financial results, as well as enhancing innovation and the quality of products and services (Stor, 2023c). Additionally, fostering an inclusive workplace culture that values and respects each employee's unique career path can enhance job satisfaction and loyalty. Implementing such practices requires a shift towards more fluid and flexible HR policies that can accommodate the evolving expectations and aspirations of the modern workforce.

To complement these personalized development programs, organizations can implement mechanisms for continuous feedback and regular career planning sessions. These practices enable employees to feel continually supported and appreciated, not only during annual reviews but as an ongoing dialogue. This approach ensures that individual goals and organizational objectives are aligned, fostering a dynamic environment where both employees and the organization thrive together.

The presented study is not without limitations. Due to the limited scope and exploratory character of the research project, the sample that we were able to use is not random – it is, however, a random-quota panel sample, therefore reflects the structure of Polish society In terms of the main socio-demographic factors (gender, age group, size of the locality of residence). Moreover, we chose a closed-ended multiple-choice question to ask about personal definitions of career success in order to be able to categorize the answers. However, as Domański and Sawiński (1991) noted in the case of occupational prestige, which is other very hard to define concept regarding work, open-ended questions may better illustrate which objects are salient and present in public awareness. Therefore, we are aware that asking the same question in another format may uncover different elements of the social reality.

Despite those limitations, our research contributes to the literature by showing a high diversification of ways in which individuals in the Polish labor market define career success. Therefore, we argue that construing a general definition of career success, which would be dominant in the Polish labor market, may be not feasible. In its place, we propose a concept of personal definitions of career success, which are shaped by the individual's unique characteristics, experiences and values.

Our study is of the exploratory character. Possible next steps in analyzing the understanding of career success in the Polish labor market include using mixed or qualitative methodologies to understand how those definitions are created within the context of individuals' values, attitudes and labor market experiences. Moreover, differences between success definitions could be researched in terms of different social groups (especially occupational groups as well as classes). Another promising direction of further research may be connected with links between the concept of career success and different career models

Summarizing our findings, it is evident that the highly diversified and personalized nature of career success definitions demands that organizations adopt a flexible, human-centric management approach. By recognizing the variety in employees' aspirations and integrating their needs and motivations into organizational strategies, companies can foster a supportive work environment that enhances job satisfaction and loyalty. This approach underscores the necessity for dynamic HRM policies that not only accommodate but celebrate individual differences, enabling organizations to thrive in a competitive labor market by nurturing a truly human-focused organizational culture.

## Funding

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# Chapter 12

## Navigating Generational Dynamics in Women's Career Development under a Human-centric Management Approach

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## 12.1. Introduction

The focus of this chapter is on generational perspectives and practices in women's career development. This serves as a continuation of the themes related to different generations, which were initiated in Chapter 7, dedicated to adapting HRM practices to the needs of Generation Z. This continued in Chapter 8, addressing the unique needs of this generation and creating innovative solutions in the areas of HRM and leadership. Subsequently, the previous Chapter 11 focused exclusively on diverse personal definitions of career success. This progression underscores the importance and relevance of the issues being addressed.

Currently, one of the main challenges for human resources managers is the effective management of employees from different generations – those present in the labor market (Generation X and Generation Y) and those just entering their professional careers (Generation Z), who have different approaches to life and career. Dynamic changes in the labor market mean that traditional professions are losing their importance and new ones are emerging, which forces changes in the employment structure and employers' expectations towards employees. The new approach to a professional career assumes that the employee is responsible for shaping it and treats it as his or her "career capital" (Wilk, 2023). A professional

career is closely related to a life career, including education, developing competencies and subsequent job positions. It is important that these changes bring satisfaction and fulfillment to the employee, correspond to his or her predispositions and aspirations, and are consistent with the surrounding environment (Smolbik-Jęczmień, 2013). Creating extensive professional development opportunities for employees can bring many benefits to the company, such as increasing job satisfaction, improving the company's operating efficiency and stabilizing employment, especially among talented, creative employees (Tworzewska-Lipiec, 2018). Moreover, as evidenced by empirical research findings, multiscope employee development (MED), which includes career development as one of its components, has a positive impact on company performance results in finance, innovation, and the quality of products and services (Stor, 2023a).

The relationships between the professional careers of generations X, Y and Z and the aspect of women's careers are complex and are influenced by many social, cultural and economic factors (Rajahonka and Villman, 2022). Many Gen Xers grew up at a time when women were entering the workforce in greater numbers than ever before. For many Gen X women, the challenge was balancing career and family life, which often led to conflict and compromise. For Generation Y women, gender equality in the workplace was already more visible, and many of them thrived in a culture that encouraged equality and diversity. However, many Generation Y women still face challenges related to gender discrimination and a lack of equal career opportunities (Sullivan and Ariss, 2021). Little is known yet about what career challenges women from Generation Z will face, but what is particularly important to them at the moment is creating gender equality in the workplace.

The issue of generational differences in career and work is widely discussed in the literature. Benson et al. (2018) analyzed how generations transform satisfaction with career development into organizational commitment or work neglect. Cho et al. (2018) devoted their study to determining Generation Z's motivation for volunteering and the relationship between it and attitudes and results at work. Gong et al. (2018) studied millennials and their organizational citizenship behaviors, including the role of job crafting and career anchoring in service. The aim of the research by Mičík and Mičudová (2018) was to check whether organizations build the image of an attractive employer for potential Generation Y employees and to what extent companies can attract employees among millennials. Zaharee et al. (2018) examined expectations towards employers and workplace features that attract employees of the youngest generations at the beginning of their careers. Maloni et al. (2019) studied the work values of Generation Z business students. The aim of Martínez-Buelvas and Jaramillo-Naranjo's (2019) study was to check whether there are significant differences in the perception of the quality of work life among employees of three generational cohorts and to propose some HRM strategies to manage these differences. Duxbury and Ormsbee (2020) examined the experiences of Generation X that shape their position in the labor market. Holtschlag et al. (2020) analyzed the indirect effect of protean career orientation on changes in employee turnover intentions through personal work goal progress in a sample of millennial employees. Gabrielova and Buchko (2021) made a review that identifies and highlights some of the characteristic features

related to the work of the two youngest generations in the workplace – Generation Y and Z. Raišienė et al. (2021) examined how Millennials, Xennials, and Generation X deal with working from home. Barhate and Dirani (2022) aimed to examine the professional aspirations of people belonging to the Generation Z cohort, and Benitez-Marquez et al. (2022) focused on Generation Z employees, in the context of the environment and workplace. Bishu et al. (2003) examined the careers of women public managers and their professional needs across generations.

Due to such a diverse approach to the topic of generations and professional careers, there are few studies relating to generational differences in women's careers, and even fewer studies in this area are based in selected regions of Poland. Therefore, it would be worthwhile to explore this subject further through research. Additionally, this need is underscored by the ongoing shift towards human-centric management, which emphasizes viewing employees not just as parts of a system but as central figures with unique needs and contributions. This paradigm shift makes it imperative to deepen our understanding of how generational differences impact women's career development, to effectively adapt human resources management (HRM) activities and strategies that respect and leverage these differences in pursuit of organizational success and employee fulfillment. This exploration is essential for crafting HRM practices that align with the evolving ethos of human-centric management, thus enabling organizations to remain competitive, innovative, and inclusive in a rapidly changing global environment.

In the above context, **the main goal of this chapter** is to identify and juxtapose generational perspectives and practices in women's career development, and to interpret the identified phenomena from the perspective of the human-centric management paradigm. Additionally, based on these findings the chapter aims at formulating practical recommendations for organizations that want to be perceived as human-centric organizations.

## 12.2. The Theoretical Framework for the Study

In exploring the nuances of human-centric management, it becomes imperative to appreciate the unique and varied tapestries woven by the life experiences and historical contexts of different generational cohorts. Each generation brings a distinct set of values, expectations, and work behaviors that have been shaped by their socio-economic environments, technological advancements, and cultural milestones. Understanding these generational characteristics allows organizations to tailor approaches that honor the diversity of their workforce, ensuring that strategies are not only inclusive but also profoundly aligned with the intrinsic needs and aspirations of each group. This sensitivity to generational diversity serves as a cornerstone for building a truly human-centric workplace, where each employee's potential can be nurtured and harnessed effectively.

Generation X is made up of people born between 1965 and 1980. Growing up in the 1970s, they witnessed the transformation of the world, which gradually shifted from post--industrial to post-modern. Their professional path began at a time when the economy was

still adapting to the new reality, which meant that they had to confront challenges that previous generations had not experienced to such an extent (Czyczerska et al., 2020). The beginnings of their careers were often marked by employment instability, which forced them to be flexible and adapt to changing market conditions. Unemployment and temporary contracts were often a reality they had to face, which made them value job stability and job security. Despite these difficulties, Generation X demonstrated a strong sense of determination and perseverance in pursuing professional success. They often engaged in hard work and took on challenges to achieve their career goals. Their pragmatism and ability to make decisions in difficult situations were valued by employers who appreciated their ability to cope in a dynamic business environment (Hysa, 2016). Gen Xers are also described as responsible, conscientious and dedicated workers. Although they may be skeptical and distrustful of institutions and authorities, they are loyal to their work and team. Their ability to work in a team and the ability to build professional relationships make them sought after as leaders and mentors for younger employees. As they achieved professional success, many of them also became involved in social activities and volunteering, showing their commitment not only to professional life, but also to society. Their experiences with difficulties on the labor market have also made them politically and socially active, striving to change the system for the better. As a result, Generation X is not only a group of employees, but also leaders and innovators who have influenced the shaping of today's world of business and society. They were the first to grow up in the media age, which means that they are usually well versed in new technologies and trends, which translates into their effectiveness in today's work environment that is increasingly based on technology and innovation (Chip, 2016).

The characteristics of Generation X lead to the conclusion that human-centric management must prioritize creating environments that value stability and provide clear paths for growth and security. This Generation X's experiences with job instability and economic shifts mean that they highly value and respond well to environments that offer job security and recognition for their loyalty and dedication. For human-centric organizations, the challenge is to integrate these needs with flexible, innovative practices that also cater to younger generations. Encouraging Generation X's involvement in mentoring programs can leverage their skills effectively, fostering a culture of continuity and resilience within the organization.

Generation Y, also known as Millennials, is a group of people born between 1981 and 1994 who grew up in the era of widespread access to the Internet, personal computers and globalization. Their professional path is closely intertwined with dynamic changes in technology and society, which influenced the formation of their values and professional preferences (Smolbik-Jęczmień, 2013). Representatives of Generation Y are characterized by high self--esteem, self-confidence and awareness of their rights and social problems. They are mobile and flexible in making career decisions, as well as open to new technologies. The value for them is the balance between private and professional life, which is why they attach great importance to flexibility during working hours and expect opportunities for personal and professional development (Stachowska, 2012). Generation Y does not accept the "rat race" or fierce competition at work. When choosing a future employer, he is guided primarily by the

company's prestige and development opportunities. Is not loyal to one organization, prefers to work in places that meet his expectations. Is ready to get involved in projects, but expects specific remuneration and compensation. In negotiations with employers, they set high salary requirements, which may be the result of their high self-esteem and self-confidence. However, they are willing to work on inspiring projects that develop their creativity and skills. They share values such as innovation, equality and diversity, which makes them sensitive to the atmosphere in the workplace and engage in activities aimed at changing the organization for the better. Millennials are known for being open to changes and not afraid of challenges. It is no accident that they are called the "flip-flop and iPod generation", because they prefer communication via modern technologies rather than face-to-face meetings. Their work in teams is based on cooperation and exchange of information, which translates into their effectiveness in implementing projects (Kroenke, 2015). However, representatives of Generation Y are also criticized for certain features, such as narcissism, lack of loyalty to employers and difficulties in direct relationships. Nevertheless, their enthusiasm, commitment to projects and ability to adapt to new working conditions make them valuable employees in today's business environment, which is constantly changing and developing (Chip, 2016).

From the traits of Millennials, it is evident that human-centric management needs to focus on flexibility, purposeful work, and rapid career progression to engage this generation effectively. Millennials' high self-esteem and demand for balance between personal and professional life challenge organizations to rethink traditional work structures and reward systems. Human-centric organizations must craft roles and opportunities that are adaptive and progressive, aligning with Millennials' expectations for transparency, social responsibility, and technological integration. This requires a shift from strict hierarchical structures to more fluid and dynamic team configurations that allow Millennials to feel valued and integral to the organizational mission.

Generation Z, defined as people born after 1995, is growing up in the era of universal access to mobile technologies and the Internet. Their lives involve constant interaction with the Internet and social media, which are an integral part of their everyday life. Online communication is natural for them, and face-to-face contact may seem less comfortable. With deeper immersion in the digital world, Generation Z experiences new challenges, such as constant stress related to being constantly online, image control on social media and fear of lack of access to information (FOMO – Fear of Missing Out) (Chomicka et al., 2022). Even though they are well integrated with technology, they often experience a decline in happiness, which may be related to excessive use of electronic devices. As they enter the workforce, Generation Z is showing an interest in careers and making money, often more than previous generations. Feedback plays an important role for them, especially specific and substantive information, which may result from their activity on social media. However, despite looking for a career, they do not expect immediate success. Although they are sometimes accused of lack of loyalty to companies, it turns out that they are ready to stay in one organization, provided that the work is satisfactory for them (Czyzcerska et al., 2020). Generation Z demonstrates the ability to function in two parallel worlds – reality and virtual. They can transition seamlessly

between them, but may also experience difficulty concentrating and analyzing information, which may affect their communication skills in the real world. In the work environment, managing Generation Z requires understanding their needs and preferences. Employers must be ready to adapt to changes and open to new ideas and experimentation. Generation Z values diversity and eagerly seeks work in a group, preferring flexibility and mobility. For them, work is not only a way to earn money, but also an opportunity to develop and explore new areas (Anisiewicz, 2023).

The entry of Generation Z into the workforce signifies that human-centric management must emphasize technological integration and mental well-being more profoundly than ever before. Their digital nativity and the high value they place on social and ethical issues mean that organizations must not only provide advanced technological tools but also uphold strong values of diversity, inclusivity, and sustainability. The challenge lies in managing their expectations for quick feedback and professional growth without contributing to the burnout culture. Human-focused organizations need to develop robust support systems that facilitate continuous learning and mental health support, ensuring that work remains a source of personal fulfillment and not just financial necessity for Generation Z employees.

As we delve deeper into the multifaceted profiles of different generational cohorts, the rich tapestry of experiences, values, and aspirations they bring to the workplace becomes evident. These insights are instrumental in forging pathways that not only resonate with diverse generational needs but also strengthen the foundational principles of human-centric management. In fostering an environment that is keenly attuned to these variances, organizations can craft a culture that is not only adaptive and resilient but also profoundly supportive of each individual's professional journey. This approach underscores the critical role that a nuanced understanding of generational characteristics plays in the sustained success and dynamism of modern organizations. This is particularly crucial when considering the career development of women across different generations, where tailored strategies can significantly impact their empowerment and success within the professional landscape.

## 12.3. The Methodics of the Conducted Empirical Research

The empirical research aimed to gather data that would provide insightful perspectives into various aspects of women's careers across different generations, focusing on their behaviors, preferences, and opportunities in professional development. Consequently, the research was designed so that the collected information would span sectors of employment, job positions held, income levels, the importance of career to each generation, professional development activities undertaken, and generational attitudes towards work and negative behaviors in the workplace.

In order to collect empirical data, quantitative research was conducted using the survey method and the CAWI technique. This study used an online survey questionnaire, created using the Google Forms platform, which used single- and multiple-choice questions and an open-

-ended question format. Some of the questions used a five-point Likert scale, consisting of the answers: "definitely not", "rather not", "difficult to say", "probably yes", "definitely yes". The survey consisted of questions about professional career and personal details. The research was conducted over 9 months (February 2022 – October 2022) in the form of disseminating an appropriate link to an online survey on the Google Forms platform. First of all, the focus was on organizations and women working in them, to which the author had direct access. Then, using the "snowball" effect, women participating in the study were asked to further share the survey in other organizations, thus inviting additional respondents to participate. At the same time, the author popularized the study through e-mails containing an invitation to participate in the study, sent to organizations that met the assumed sample selection criteria. The organizations were selected on the basis of rankings of medium and large enterprises prepared by portals such as: https://nowiny24.pl/ (Golden Hundred of Companies 2021), https://www.obserwatorium. malopolska.pl/ (500 List), and https://www.forbes.pl/ (Forbes Diamonds 2021).

The research sample consisted of professionally active women (n=511), currently working in medium-sized or large enterprises, living in two voivodeships: Lesser Poland and Podkarpackie. The choice of these voivodeships was dictated by their economic diversity, socio-cultural conditions and economic differences. The Podkarpackie and Lesser Poland voivodeships are located in the southern part of Poland, which is characterized by a diversified economic structure and level of development. Moreover, the choice of the Podkarpackie and Lesser Poland voivodeships was also due to the small amount of previous research on women's professional careers in these regions.

After collecting the empirical material, the data were subjected to statistical analysis, which included descriptive characteristics and tests of intergroup comparisons – the variables analyzed in the study were two types of data: quantitative and categorical. Quantitative variables included all answers provided by respondents on a five-point Likert scale, and their characteristics included, among others: arithmetic mean, standard deviation, median, first and third quartile values, and minimum and maximum values. After making comparisons, those results that turned out to be statistically significant were selected for presentation and discussion. In order to select three study groups – Generation X, Generation Y and Generation Z, a division was used based on an open question regarding the age of the respondents. Then, individual age ranges were adopted according to the scheme presented in Table 28.

**Table 28.** The structure of the research sample by age

| Category of generation | Age intervals | Cohorts by date of birth | Sample size | |
|---|---|---|---|---|
| | | | Frequency | Percentage |
| Generation X | 42 – 57 | 1965 – 1980 | 152 | 29.75 |
| Generation Y | 27 – 41 | 1981 – 1994 | 265 | 51.86 |
| Generation Z | under 27 | since 1995 | 94 | 18.40 |
| **Total** | | | **511** | **100** |

Source: own empirical research.

## 12.4. The Empirical Research Findings

Representatives of Generation X most often worked in organizations of public administration (18.4%), education (20.4%) and health and social welfare (15.8%), while Generation Y also worked in public administration (20.4%) and education (13.2%), but also in organizations of financial and insurance activities (12.8%). The youngest female respondents surveyed were employed in organizations engaged in activities related to culture, entertainment and recreation (9.6%), wholesale and retail trade (10.6%) and information and communication (7.4%). However, the largest percentage of Generation Z women worked in other service activities (22.3%), and this activity profile showed the greatest variation with respect to the other two generations (X – 4.6% vs. Y – 8.7%). Generation Z women were also more likely than the others to work in medium-sized organizations (X – 59.9% vs. Y – 58.5% vs. Z – 74.5%).

The surveyed women in each generation most often worked in executive positions with intellectual work (X – 42.7% vs. Y – 49.2% vs. Z – 43.6%). The greatest discrepancies between the positions held were found among low-level managers (X – 8.4% vs. Y – 7.5% vs. Z – 2.1%) and executive positions with mixed work (X – 14% vs. Y – 7.5% vs. Z – 24.5%) and physical (X – 6.3% vs. Y – 4% vs. Z – 16%).

The surveyed generation range of PLN 4,500-6,000 gross per month (30.3%). Accordingly, most women from Generation Y earned PLN 3,000-4,500 gross per month (40.8%), while those from Generation Z earned less than PLN 3,000 gross per month (44.7%).

Nearly 87% of the surveyed women declared that their professional career was important to them. However, the group that was most certain about this statement were Generation Y women (41.9% of "definitely yes" responses). Generation Z women had the greatest difficulty in determining the degree of importance of their career – 12.8%, while the answer "difficult to say" was given by 7.9% of Generation X women and only 2.3% of Generation Y women.

As part of their career development, the women surveyed undertook various activities (see Table 29). The most common form among all women, regardless of generation, was to undertake studies. However, there is a noticeable tendency of younger generations to undertake them more often (X – 63.8% vs. Y – 79.2% vs. Z – 87.2%). Significant differences also occurred in other forms of career development. Generation Y women invested more often than others in learning foreign languages (X - 30.9% vs. Y - 42.3% vs. Z - 30.9%), while they developed networking less often (X – 4.6% vs. Y – 1.5% vs. Z – 6.4%), which was one of the least frequently used forms of career development. So were trips to foreign internships, which were generally not used by Generation Z women (X – 5.9% vs. Y – 4.2% vs. Z – 0%). Significant differences also occurred with regard to participation in training. In both those provided as part of their work in the organization (X – 54.6% vs. Y – 59.2% vs. Z – 27.7%) and those provided independently of the organization (X – 45.4% vs. Y – 35.8% vs. Z – 25.5%), generation Z women were the least likely to participate. However, a greater number of women chose internal training, with generation Y women the most likely to take advantage of it. External training, on the other hand, was most often chosen by women of generation X.

**Table 29.** Activities undertaken by women as part of their career development

| Types of activities | Categories of generations | | |
|---|---|---|---|
| | Generation X | Generation Y | Generation Z |
| Undertaking studies | 63.8% | 79.2% | 87.2% |
| Learning foreign languages | 30.9% | 42.3% | 30.9% |
| Developing networking | 4.6% | 1.5% | 6.49% |
| Taking trips to foreign internships | 5.9% | 4.2% | 0.0% |
| Participating in training provided by the employer | 54.6% | 59.2% | 27.79% |
| Participating in training independent of the employer | 45.4% | 35.8% | 25.5% |

Source: own empirical research.

Generation Z women were less likely than their older counterparts to base their careers on the activities of the organization where they work (mean  X – 3.6 vs. Y – 3.5 vs. Z – 3.21). At a similar high level as women of generation X, they showed a desire for development, but it was the women of generation Y who declared it more strongly (mean  X – 4.29 vs. Y – 4.49 vs. Z – 4.26). For generations X and Y, work experience was a more important career resource than for generation Z (mean X – 4.01 vs. Y – 3.97 vs. Z – 3.71). A similar relationship occurred with regard to hard skills (mean X – 4.19 vs. Y – 4.25 vs. Z – 4.03) and the importance of education level as a career resource (mean X – 4.01 vs. Y – 3.83 vs. Z – 3.53). Among the significant generationally differentiating aspects of the women surveyed, we can point to actions in the organization that hindered the communication process (e.g., interrupting speech, criticizing, using verbal and written threats) and actions that negatively affected social relationships (e.g., physically and socially isolating, disrespecting and ignoring, avoiding contact and conversation). Both the former (mean X – 2.29 vs. Y – 1.94 vs. Z – 1.9) and the latter (mean X – 2.23 vs. Y – 1.91 vs. Z – 1.83) were experienced least frequently by Generation Z women, and most frequently by Generation X women.

Generally, it can be said that Generation Z seems to be more inclined to work in the service sector and earn lower wages than generations X and Y. Although Generation X was more likely to earn in the range of 7,500-9,000 PLN per month, most were still in the 4,500-6,000 PLN range. This suggests that despite high salaries in some cases, some Generation X women may be filling lower-level positions. Generation Y women show the greatest commitment to career advancement and a more positive attitude toward work experience. Generation Y appears to be the most willing to invest in professional development and competency acquisition, which may suggest that they have strong aspirations and ambitions for their careers. Generation Z was more likely to work in a variety of industries, suggesting greater flexibility and openness to cultural diversity in the workplace compared to generations X and Y, which were more likely to focus on traditional sectors such as public administration and education. There are clear differences between the generations in attitudes toward forms of professional development and experiencing negative behavior in the workplace. Although

Generation X women experience more negative behavior in the workplace, there is a need to understand why this is the case and what factors influence these intergenerational differences. Perhaps this is because younger generations are increasingly aware of the importance of equality and it is an important aspect for them when choosing a workplace.

## 12.5. Summary and Final Conclusions

**The main goal of this chapter** was to identify and juxtapose generational perspectives and practices in women's career development, and to interpret the identified phenomena from the perspective of the human-centric management paradigm. Additionally, based on these findings the chapter aimed at formulating practical recommendations for organizations that want to be perceived as human-centric organizations. Regarding these generational perspectives and practices, it can be considered that the goal in this respect has been achieved. As for their interpretation and guidelines for organizational practice, they will be provided here.

The research results show that women from Generation X have demonstrated a unique blend of resilience and adaptability, born out of navigating early career instability and significant economic changes. They value stability and security highly, often seeking job environments that offer clear pathways for professional growth. This generation's approach to career development has been marked by a strong work ethic and a pragmatic approach to career challenges, making them valuable mentors and leaders in the workplace. From a human--centric management perspective, the resilience and adaptability exhibited by Generation X can be viewed as critical assets that enhance organizational stability and continuity (*c.f.* Pekerti and Arli, 2017). Their preference for stable, secure job environments aligns with a human-centric approach that prioritizes the well-being and long-term career satisfaction of employees. Moreover, their experiences and developed competencies position them uniquely to mentor younger generations, fostering a culture of learning and mutual respect within the organization. Organizations aiming to embody the principles of a human-centric organization should actively create roles that leverage the strengths of Generation X, such as their resilience, leadership, and mentoring capabilities (*c.f.* Weerarathne et al., 2023). Developing targeted mentorship and leadership programs where Generation X employees can pass on their knowledge and experiences can help cultivate a supportive and collaborative work environment (*c.f.* Chaudhuri and Ghosh, 2012). This is particularly important as empirical research demonstrates that organizational talent management significantly impacts company performance results (Stor, 2023c). Implementing policies that ensure job security and career growth opportunities can also reinforce their loyalty and satisfaction, thereby enhancing overall organizational performance and stability.

In contrast, Generation Y, or Millennials, exhibit a distinct set of values that emphasize flexibility, work-life balance, and a desire for meaningful work. Their careers are closely intertwined with advancements in technology and a shift towards more dynamic, project--based work environments. Millennials are keen on workplaces that not only provide personal

and professional development opportunities but also align with their strong values on social responsibility and equality. This generational cohort has reshaped how organizations think about engagement, with a clear preference for diversity and innovation. From a human-centric management perspective, the values and career aspirations of Millennials underscore the importance of flexibility and adaptability in organizational structures (*c.f.* Sessoms-Penny et al., 2023). Their emphasis on meaningful work and life balance necessitates a shift in traditional management styles to accommodate more fluid work arrangements, such as remote working, flexible hours, and project-based tasks (*c.f.* Capnary et al., 2018). Emphasizing these aspects can help organizations attract and retain Millennial talent, who are likely to thrive in environments that respect and support their need for a balanced life. It's crucial to note that empirical studies confirm that effective staffing—specifically attracting, recruiting, and selecting employees—markedly influences company performance results (Stor, 2024a). Furthermore, to become truly human-centric, organizations should focus on creating a workplace that reflects the values important to Millennials. This includes implementing robust diversity and inclusion programs that not only talk about equality but also put it into action. Providing continuous learning and development opportunities that align with their desire for personal and professional growth is also critical. By doing so, companies can harness the innovative potential of Millennials, leveraging their comfort with technology to drive change and modernization in workplace practices. Additionally, adopting transparent communication (*c.f.* Myers and Sadaghiani, 2010) and feedback mechanisms can further enhance engagement among this cohort. It's worth noting here that shaping employee work engagement and job satisfaction, as scientific studies demonstrate, has a significant impact on company performance results (Stor, 2024b). Anyway, from the perspective of the Millennial cohort, this is also important as it ensures that their voices are heard and valued in shaping the organization's future.

Generation Z women, the most recent to enter the workforce, bring with them a digital-first approach and are significantly influenced by the technological landscape they grew up in. They value immediate feedback, flexibility, and opportunities for rapid professional growth. Their career expectations include a strong emphasis on organizational culture and ethics, aligning their work with their personal values. Unlike previous generations, Generation Z is more likely to pursue careers that allow for a seamless blend of personal and professional interests, challenging organizations to adapt to their high digital and ethical standards (*c.f.* Chang and Chang, 2023). From a human-centric management perspective, Generation Z's digital-first approach and high ethical standards call for a profound transformation in how organizations design work environments and define work ethics. This generation's preference for immediate feedback and flexibility can be leveraged to create more agile and responsive work processes, integrating technology in ways that enhance efficiency and satisfaction (*c.f.* Jiang et al., 2024). Emphasizing ethics and culture in organizational practices not only aligns with Generation Z's expectations but also fosters a sense of purpose and commitment among these younger employees. To effectively embrace a human-centric approach with Generation Z, organizations should invest in creating a digitally enriched workplace that allows

seamless integration of technology in daily work. This includes offering state-of-the-art tools for collaboration and communication and developing policies that support flexible work arrangements like telecommuting and flexible scheduling (*c.f.* Niemczynowicz et al., 2023). Furthermore, instituting robust ethical practices and promoting a transparent and inclusive culture will resonate deeply with Generation Z, encouraging them to engage fully and remain loyal to the organization. Encouraging a culture where feedback is frequent and constructive can also help in continuously aligning organizational goals with the personal and professional aspirations of Generation Z employees, ensuring mutual growth and development. This means that employee performance systems must be constructed in a more flexible manner, not necessarily relying on long periods of providing feedback where the annual review is the primary filter. This has particular significance from a company perspective as well, since empirical research proves that employee performance appraisal significantly impacts organizational results (Stor, 2023b).

Together, these generational insights reveal a shifting landscape in women's career development, from the structured, stability-focused approach of Generation X to the flexibility and purpose-driven careers of Millennials and Generation Z. Organizations aiming to adopt a human-centric management approach must consider these diverse generational needs and preferences to effectively engage and retain talented women across all age groups. This adaptive strategy is crucial not only for fostering a supportive and inclusive workplace but also for aligning organizational practices with the evolving expectations of the workforce. By integrating these insights into their human-centric frameworks, organizations can ensure that they are not only responsive to the changing dynamics of the workplace but are also leaders in promoting a culture that values and nurtures diversity in career aspirations and personal values across different generations.

However, the research conducted is not free of limitations. First of all, it should be pointed out that the results obtained can only serve to demonstrate differences in the studied group and there is no basis for generalizing them. Also, the studied aspects do not exhaust the subject of generational variation in careers, and represent only a certain section of it, which can be treated as an introduction to the full research. This limitation, however, indicates a possible direction for future research, which can be focused on a deeper understanding of the professional characteristics of each generation and the study of generational differences across the country.

Despite these limitations, the results obtained are immensely valuable as they provide a nuanced glimpse into the distinct career development trajectories and preferences of different generations of women. This initial exploration not only highlights the unique challenges and needs of each generation but also serves as a crucial stepping stone for future, more comprehensive studies. By focusing on specific generational insights within the human-centric management framework, organizations can begin to tailor their strategies to better support and engage a multi-generational workforce. This targeted approach is vital for developing a workplace culture that not only respects diversity but actively leverages it to foster innovation and inclusivity, ensuring that all employees, regardless of their generational affiliation, feel valued and understood.

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# The Comprehensive Overview
# of the Monograph's Key Findings

**The primary focus of this monograph** was to place humans at the center of organizational management, reflecting a significant paradigm shift in contemporary organizational practices. **The goal of this monograph was** to explore and analyze this paradigm shift towards human-centric management, offering insights into how organizations can balance the increasing demands for efficiency and innovation with the need to support and understand their employees as integral and unique components of a dynamic organizational ecosystem. This included examining the evolving perspectives of employees as resources or capital, the impact of digitization and automation, the importance of well-being, mental health, diversity, inclusion, and the role of sustainable development and social responsibility in modern organizations.

The insights and findings presented in this monograph collectively affirm that this goal has been achieved. Through theoretical discussions and empirical research across various topics, this work provided a comprehensive understanding of the human-centric approach in organizational management.

The exploration revealed that organizations have increasingly recognized the importance of viewing employees not merely as resources or capital but as integral human beings with unique skills, aspirations, and needs. This paradigm shift was evidenced by the adoption of individualized and diverse approaches to people management, moving from transactional to relational models. Specific topics covered in the monograph include the critical role of employee well-being and mental health, the unique management needs of different generations, and the impact of technological advancements on HR practices. The emphasis on dialogue, trust, respect, responsibility, and cooperation has become central to modern HRM practices, highlighting the necessity of creating supportive environments that foster creativity, innovation, and employee engagement. Additionally, the discussion on diversity and inclusion, and the strategic importance of sustainable development and social responsibility, underscored the multifaceted approach required to effectively manage and support a diverse workforce.

The research also highlighted the significant impact of digitization and automation on the nature of work and the required competencies from employees. With the transition from Industry 4.0 to Industry 5.0, there has been a growing emphasis on human-centric approaches, focusing on collaboration between humans and machines. This shift aims to leverage advanced technologies to enhance human creativity and well-being within the workplace. For instance, AI-enhanced recruitment and selection processes and E-HRM solutions were explored as methods to support these new management practices. Additionally, the growing popularity of remote and hybrid work models has underscored the need for flexibility and adaptability in management practices, emphasizing the importance of mental health support and employee development programs tailored to these new working conditions.

The monograph's findings emphasized the increasing importance of well-being and mental health in organizational effectiveness. As awareness of these issues has grown, organizations have begun to prioritize creating supportive environments that foster employee engagement,

satisfaction, motivation, and loyalty. This approach has been shown to translate into better work quality, higher productivity, and greater organizational innovation. For example, initiatives such as mental health days, employee assistance programs, and wellness workshops have been implemented to address these needs. Additionally, providing flexible work arrangements and ensuring a healthy work-life balance have proven critical in supporting employee well-being.

Furthermore, the research underscored the crucial roles of diversity and inclusion, sustainable development, and social responsibility in attracting and retaining talent. These factors have become key components of modern HRM strategies, ensuring that organizations remain competitive and socially responsible. Efforts to create inclusive workplaces that value diverse perspectives, such as diversity training programs and inclusive hiring practices, have been highlighted as essential. Moreover, commitment to sustainable development through eco-friendly initiatives and corporate social responsibility (CSR) programs has been shown to enhance the organization's reputation and appeal to socially conscious employees.

In line with the title of this monograph, the discussions also centered around the visions, realities, and challenges of implementing a human-centric approach in contemporary organizations. The visions explored in this monograph highlighted an ideal organizational environment where employees are valued as integral human beings with unique contributions. This vision encompasses workplaces that foster creativity, innovation, and well-being, leveraging advanced technologies and supportive management practices to enhance both employee satisfaction and organizational performance.

These visions also include a strong emphasis on employee retention, loyalty, and performance, recognizing that a committed and motivated workforce drives organizational success. Additionally, the vision entails the integration of comprehensive mental health and wellness programs, diversity and inclusion initiatives, and sustainable development strategies as critical components. The ideal human-centric organization adapts to the evolving needs of its workforce, ensuring that remote and hybrid work models are effectively managed to maintain productivity and engagement. Innovative HRM practices, such as AI-enhanced recruitment and selection processes, are envisioned to support these goals, along with personalized employee development plans that cater to individual career aspirations and foster a culture of continuous learning and improvement.

The realities, however, often presents a more complex picture. While many organizations have made strides towards adopting human-centric practices, the monograph revealed that the transition is often gradual and fraught with obstacles. Real-world examples from various chapters illustrated that despite the recognition of the benefits of human-centric management, actual implementation can be inconsistent. Challenges such as integrating new technologies, aligning diverse teams, and maintaining a supportive culture amidst economic pressures were frequently cited. Organizations often struggle with balancing the immediate need for efficiency with the longer-term investments required for developing comprehensive well-being programs. Moreover, maintaining employee engagement and loyalty can be challenging in environments where remote and hybrid work models are becoming the norm. Despite the intent to support diversity and inclusion, many companies face difficulties in achieving genuine inclusivity, often due to entrenched cultural biases and inadequate training. Furthermore, the empirical evidence highlighted discrepancies between organizational intentions and employee perceptions, indicating a gap that

needs to be addressed to realize the full potential of these approaches. Issues such as inconsistent application of HRM policies, lack of continuous support for professional development, and the underutilization of advanced HRM technologies also emerged as significant barriers.

The challenges of implementing a human-centric approach are multifaceted. One significant challenge is the integration of advanced technologies like AI and E-HRM solutions in a way that genuinely supports human-centric goals without compromising the human element. For instance, the adoption of AI in recruitment and selection processes must be carefully managed to avoid depersonalization and to ensure ethical standards are upheld. Leveraging AI to enhance human capabilities while preserving the personal touch crucial for understanding a candidate's fit within the organizational culture is a delicate balance. Additionally, the shift towards remote and hybrid work models has introduced complexities in maintaining employee engagement and cohesion. Organizations must develop strategies to support mental health and well-being remotely, such as through virtual wellness programs and regular check-ins. Ensuring that employees feel connected and valued, even when not physically present, is a significant hurdle. The discussions in the monograph also underscored the ongoing need for robust mental health and well-being programs, diversity and inclusion initiatives, and sustainable development practices, all of which require continuous commitment and adaptation. Creating an inclusive workplace that genuinely values diverse perspectives involves overcoming deep-seated biases and implementing comprehensive diversity training programs. Moreover, sustainable development initiatives must be integrated into the core business strategy to be effective, requiring significant shifts in organizational culture and operations. Furthermore, the challenge of aligning HRM practices with the specific needs of different generational cohorts, such as Generation Z, highlights the necessity for adaptable and personalized HRM strategies. This includes addressing their preferences for flexible work environments, rapid feedback, and meaningful work that aligns with their values. Navigating these generational expectations while ensuring consistency in HRM policies across the board is critical.

In conclusion, the monograph successfully explored and analyzed the paradigm shift in organizational management towards placing humans at the center. The comprehensive examination of theoretical foundations, empirical evidence, and practical applications highlighted the benefits and challenges of implementing a human-centric approach. From a social perspective, human--centric management fosters a more inclusive and supportive workplace, improving employee well-being and satisfaction. From a managerial perspective, it enhances organizational culture and employee engagement, leading to higher productivity and innovation. Economically, it reduces turnover costs and improves overall organizational performance. The findings demonstrated that this approach is essential for fostering environments where employees feel valued, supported, and integral to the organizational mission, ultimately leading to sustainable organizational success. This monograph provided a thorough examination of the visions, realities, and challenges of human-centric management, offering a nuanced understanding that while the vision of a fully human-centric organization is compelling, the path to achieving it is complex and requires sustained effort and strategic alignment across all organizational levels.

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# List of figures

# List of tables