

Human at the Center of the Organization:

Visions, Realities, Challenges

edited by Marzena Stor



Publishing House of Wrocław University of Economics and Business
Wrocław 2024

Reviewer

Joanna Cewińska

Copy-editing and proof reading

Aleksandra Śliwka

Typesetting

Beata Mazur

Cover design

Beata Dębska

The book uses images from DALL-E

The publication is available under Creative Commons Attribution-ShareAlike 4.0

International License (CC BY-SA 4.0). To view a copy of this license, visit <https://creativecommons.org/licenses/by-sa/4.0/deed.pl>

ISBN 978-83-67899-59-8

DOI: 10.15611/2024.59.8

Quote as: Stor, M. (Ed.). (2024). *Human at the Center of the Organization: Visions, Realities, Challenges*.

Publishing House of Wrocław University of Economics & Business. <https://doi.org/10.15611/2024.59.8>

Our books can be read on:

dbc.wroc.pl, ibuk.pl, ebookpoint.pl

The address of the editor:

Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu

53-345 Wrocław, ul. Komandorska 118/120

www.wydawnictwo.uew.pl

Orders:

tel. 71 36 80 602, e-mail: econbook@ue.wroc.pl

ksiegarnia.ue.wroc.pl

Table of Contents

Preface	7
---------------	---

Chapter 1



HRM Responses to Labor Shortages and Organizational Employee Retention from a Human-centric Management Paradigm (<i>Marzena Stor, Łukasz Haromszeki, József Poór</i>)	10
1.1. Introduction	10
1.2. The Theoretical Framework for the Variables Under Study	12
1.3. The Methodics of the Conducted Empirical Research	14
1.4. The Empirical Research Findings	16
1.5. Summary and Final Conclusions	22
References	23

Chapter 2



Workplace-related Factors Influencing Employee Loyalty and Job Performance in Human-centric Organizations (<i>Marzena Stor, Łukasz Haromszeki, József Poór</i>)	26
2.1. Introduction	26
2.2. The Theoretical Framework for the Variables under Study	27
2.3. The Methodics of the Conducted Empirical Research	30
2.4. The Empirical Research Findings	33
2.5. Summary and Final Conclusions	38
References	39

Chapter 3



HRM Knowledge Transfer in Multinational Companies from the Perspective of Human-centric Management Paradigm (<i>Aurelia Domaradzka</i>).....	42
3.1. Introduction	42
3.2. Mechanisms of HRM Knowledge Transfer in MNCs	44
3.3. The Challenges and Opportunities in Cross-cultural HRM Knowledge Sharing	46
3.4. The Impact of Human-centric Management on HRM Knowledge Transfer Strategies.....	48
3.5. Summary and Final Conclusions	50
References	51

Chapter 4



From Stalinist Paradigms to Modern Human-centered Management: Tracing the Evolution of People Management Practices in Poland (<i>Piotr Górski</i>)	54
4.1. Introduction	54
4.2. Evolution of People Management within the Human-centered Paradigm	55
4.3. The Political Background	56
4.4. Scientific Reflection on Work and People Management in Poland in the First Half of the 1950s	58
4.5. Soviet Patterns and Their Polish Implementation	61
4.6. Implications of Historical Management Practices	63
4.7. Summary and Final Conclusions	64
References	65

Chapter 5



Shifting toward a Human-centric Management Paradigm in Shaping Soldier Work Engagement and Job Satisfaction in the Polish Armed Forces (<i>Maria Jabłońska-Wołoszyn</i>)	69
5.1. Introduction	69
5.2. The Theoretical Framework for the Variables under Study	72
5.3. The Methodics of the Conducted Empirical Research	76
5.4. The Empirical Research Findings	77
5.5. Summary and Final Conclusions	80
References	84

Chapter 6



Managing Knowledge Worker Turnover in Small and Medium-sized Enterprises in Times of Human-centric Management (<i>Olga Janicka</i>)	87
6.1. Introduction	87
6.2. The Theoretical Framework for the Study	88
6.3. The Methodics of the Conducted Empirical Research	94
6.4. The Empirical Research Findings	95
6.5. Summary and Final Conclusions	99
References	100

Chapter 7



Adapting HRM Practices for Generation Z with a Human-centric Management Approach to Mental Health and Employee Development (<i>Julia Piecuch-Jodłowiec</i>)	103
7.1. Introduction	103
7.2. The Theoretical Framework for the Study	104

7.3. The Methodics of the Conducted Empirical Research	109
7.4. The Empirical Research Findings	109
7.5. Summary and Final Conclusions	112
References	113

Chapter 8



Embracing Generation Z's Unique Needs in the IT Sector through Innovative HRM and Sustainable Leadership as Pillars of Human Focus Management (<i>Ireneusz Rynduch</i>)	116
8.1. Introduction	116
8.2. The Theoretical Framework for the Variables Under Study	117
8.3. The Methodics of the Conducted Empirical Research	122
8.4. The Empirical Research Findings	122
8.5. Summary and Final Conclusions	128
References	130

Chapter 9



Conceptual E-HRM Solutions for Enhancing Employee Focus in Human-centric Organizations (<i>Grzegorz Łukasiewicz</i>)	133
9.1. Introduction	133
9.2. The Concept of Electronic Human Resources Management	134
9.3. The Key Components of E-HRM	136
9.4. The Author's Own Conceptual Proposal for the Matrix of E-HRM	139
9.5. Summary and Final Conclusions	141
References	143

Chapter 10



Advancing Human-centric Management through AI-enhanced Recruitment and Selection (<i>Gabriela Strzelec</i>)	145
10.1. Introduction	145
10.2. The Impact of AI on HRM Processes	147
10.3. AI in Recruitment and Selection of Applicants	148
10.4. Challenges and Opportunities in AI-enhanced Recruitment and Selection	150
10.5. Summary and Final Conclusions	152
References	154

Chapter 11



Exploring Diverse Personal Definitions of Career Success in the Polish Labor Market within a Human-centric Management Framework (<i>Olga Czeranowska</i>)...	156
11.1. Introduction	156
11.2. The Theoretical Framework for the Study	157
11.3. The Methodics of the Conducted Empirical Research	159
11.4. The Empirical Research Findings	160
11.5. Summary and Final Conclusions	163
References	165

Chapter 12



Navigating Generational Dynamics in Women's Career Development under a Human-centric Management Approach (<i>Aleksandra Wilk</i>)	168
12.1. Introduction	168
12.2. The Theoretical Framework for the Study	170
12.3. The Methodics of the Conducted Empirical Research	173
12.4. The Empirical Research Findings	175
12.5. Summary and Final Conclusions	177
References	180
The Comprehensive Overview of the Monograph's Key Findings	183
List of figures	186
List of tables	187

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

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.

Marzena Stor

List of figures

1. The ranking of HRM practices organizations apply to address labor shortages and retain employees by mean evaluation values	18
2. Distribution of records in each cluster of employees.....	37
3. Siemens Global Learning Campus	45
4. The model of Shaping Soldier Work Engagement and Job Satisfaction (SSWE&JS) in Military's Peacetime	74
5. Activities undertaken by enterprises to counteract knowledge workers turnover	96
6. The ranking of benefits considered most attractive by percentage of respondents' selections	123
7. The ranking of the most important things to respondents in work by percentage of their selections	124
8. The ranking of what could motivate respondents to stay in their workplace by percentage of their selections.....	125
9. The ranking of what could motivate respondents to change their jobs by percentage of their selections	126
10. The ranking of type of information that respondents need to make decision to apply for a job by their percentage of their selections	126
11. Components of the electronic human resource management models.....	137
12. Target matrix for E-HRM.....	139

List of tables

1. The structure of a research sample of 120 organizations	15
2. The mean values of ratings of factors contributing to labor shortages by job category	17
3. Detailed regression analysis results for HRM practices and external factors.....	20
4. The structure of a research sample of 300 individuals	31
5. Random forest analysis of factors influencing employee loyalty	34
6. Summary of employee segmentation analysis using k-means clustering	35
7. The mean values of employee job performance and loyalty to the organization by job categories.....	37
8. Summary of regression analysis on the impact of employee loyalty on job performance	37
9. Sociodemographic characteristics of the 2019 and 2023 research sample	77
10. Ranking of variables distinguishing the military organization as an employer relative to other employers.....	78
11. The results of a correlation test for the selected variables from the model of SSWE&JS in Military's Peacetime collected in 2019.....	79
12. The results of a correlation test for the selected variables from the model of SSWE&JS in Military's Peacetime collected in 2023.....	80
13. Respondents' descriptions of key employees	96
14. Respondents' views on turnover measurement	97
15. Respondents' views on financial motivations for employee departures	99
16. The characteristics of Gen Z and related organizational challenges from the perspective of respondents	110
17. Three dimensions of sustainable leadership	120
18. The structure of a research sample by sex.....	122
19. Major obstacles in effective work	127
20. Exemplary definitions of electronic human resource management	135
21. Traditional and new HRM practices	136
22. AI applications in recruitment and selection processes with activities and technological solutions.....	149
23. Advantages and disadvantages of using AI tools employee recruitment and selection.....	151
24. Facets of career success	159
25. The ranking of career success facets based on multiple choice question	160
26. The correlation matrix between variables that constitute elements defining career success	161
27. Top five most common combinations of career success facets selected by respondents from multiple choice questions	162
28. The structure of the research sample by age.....	174
29. Activities undertaken by women as part of their career development.....	176