

***“MANAGING PEOPLE IN THE AGE OF DIGITIZATION – A STUDY REPORT”***

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**ABSTRACT**

According to Drucker (1988, p.361), the purpose of the organization is to enable ordinary human beings to do extraordinary things. It is the test of an organization to make ordinary people perform better than they seem capable of, to bring out whatever strength there is in its members and to use each person’s strength to help all the other members perform. Riches (1997) emphasis the critical point that “This performance has to be managed.” He advocates on the ‘people – oriented’ approach to the management of performance.

Managing people is the most complex dimension of management and which is most difficult to learn. There are changes in environment, change in organization and change in managerial skills. In addition to these, managers need to have a concern for total quality management. Managing people is not about just making decisions and giving orders. To get the best out of them, managers need to understand the point of view of the people involved. People are different, have different values and objectives and may behave differently even in the same situation. Organizations and their contexts may be changing but the essence of the relationships between people remains the same. Guest et al. (2000) echoed about a positive psychological contract and also found that an informal climate of employee involvement and consultation appears to have an important influence on performance.

Management of people is by looking at the extent of change over time; historically there have been several phases in the way in which the management of people has been structured. The broad use of internet and the increasing popularity of lean philosophy has also increased the use and meaning of “digitizing” to describe improvements in the efficiency of organizational processes. Digitization can help to eliminate time waste by introducing wider access to data, or by implementation of enterprise resource planning systems. Information and Communication Technology has not only driven globalization but dramatically changed the way things are done as well. It has engendered what is now called the digital age. The digital age has its implications in various aspects. Thus managing people in the age of digitization became an important study.

**KEYWORDS:** *Managing People, Digitization, Performance, Information and Communication Technology*

## **INTRODUCTION**

Managing people is the most complex dimension of management and which is most difficult to learn. There are changes in environment, change in organization and change in managerial skills. In addition to these, managers need to have a concern for total quality management. Managing people is not about just making decisions and giving orders. To get the best out of them, managers need to understand the point of view of the people involved. People are different, have different values and objectives and may behave differently even in the same situation. Organizations and their contexts may be changing but the essence of the relationships between people remains the same.

The research objective of the study is to do a study report on the importance of digitization and how to manage people in the age of digitization

1. To study about how to manage people
2. To identify about digitization in the organization
3. To study about how to manage people in the age of digitization

The methodology of the study is descriptive study as it involves about description about digitization and how to manage people in the age of digitization.

## **RATIONALE BEHIND MANAGING PEOPLE**

According to Drucker (1988), the purpose of the organization is to enable ordinary human beings to do extraordinary things. It is the test of an organization to make ordinary people perform better than they seem capable of, to bring out whatever strength there is in its members and to use each person's strength to help all the other members perform. Riches (1997) emphasis the critical point that "this performance has to be managed." He advocates on the 'people – oriented' approach to the management of performance.

People are the most important assets of any organization, managing them effectively are crucial to the overall performance of an organization. An efficient manager manages people effectively through a reasonably good understanding of human behaviour and by utilizing individual's as well as teams' potential maximally. This is necessary in order to motivate people and to communicate effectively with them.

## **RATIONALE BEHIND DIGITIZATION**

Technology is a way of getting work done (Perrow, 1967). Digital economy has disrupted one industry after another (Christensen, 1997), and it is rapidly transforming how people communicate, learn and work. Digital technologies play a role in all aspects of operating, controlling and coordinating the activities of organizations (Setia et al. 2013).

According to Brown, Duguid (2000), the digitization of information is fundamentally changing how we work, how we organize work, and how we create value. From the study done by Oliver Kohnke, the process of digitization affects almost everything in today's organizations and puts huge pressure on these to change.

Digital technologies are transforming the global economy. According to Benkler (2002), digital technology makes it possible for members of an organization to self-organize and thereby avoid the delays, distortions, and other damaging effects of hierarchical organized systems.

### **DIGITIZATION - A LITERATURE SURVEY**

According to the study done by Alina Daniela Mihalcea on “Employer Branding and Talent Management in the Digital Age”, Digital maturity of human resources management implies a shift from traditional paradigm on workplace towards engagement, learning and development of employees and search for talent. In an open talent economy, employer brand is very important in recruiting and retention of high potential employees and major challenge is that HR needs to face is the development of digital skills for managers and employees.

A study was done by Ekpen T. Owle on “A Review of the Digital Age and its Implications for Leadership and Management”. It is about the Information and communications technology (ICT) which had engendered what is now called the digital age and which has its implications for leadership, management, work and market environments.

According to the study done by Dominik Krimpmann on “IT/IS Organisation Design in the Digital Age – A literature review”, the digital age fundamentally transforms a large number of industries in the ways they work. The author provides a holistic IT/IS organization design framework bringing together the IS research strand, the digital strand and the generic organization design strand.

A study was done by Vannie Naidoo on “Impact of Digitization on Learning and Opportunities in the Workplace”. It is about Digital technologies which had permeated in all areas of society such as education, work, business, government or medicine. It also had a major impact on the world of work and its environment, as technology continues to permeate in all areas of society. New technologies assisted workers in their training and education needs thus making the worker of today more viable in the labour market.

According to the study done by Mohan Thite on “Managing People in the New Economy”, People Management is central to the thinking and practice of management in today’s knowledge economy. So accordingly, all the HR practice areas need to revolve around the creation, sharing and utilization of knowledge, which is central to a sustainable competitive advantage in the 21<sup>st</sup> century.

## **MANAGING PEOPLE IN THE AGE OF DIGITIZATION**

Digital technology can enable individuals, firms, cities and governments to become smarter, to expand their capabilities and to adapt to new and changing conditions. A fully digital enterprise is a powerful combination of people, technology, and organizing ability that is well suited to today’s economic and social environment. Digital technologies augment and support work activities and decision-making, connect members of the organization, and aid in managing relationships with customers, suppliers, and other stakeholders.

According to Rita Joyce (2002) in her paper “Digitization, the internet and electronic commerce” had studied about the future of digitization, the internet and electronic commerce intertwine. Digitization of data will have two components: the need for technical skills and

how it changes the workforce. Chris Taylor describes this approach as “Philanthropic entrepreneurialism.” To meet the future demands, businesses are developing the appropriate workforce. Digitization will allow people to more readily choose where they will live based on personal preferences rather than on where their employer is located.

Managing people involves the range of human language and analysis. There are several different ways of looking at the same behaviour. Learning to deal with this diversity of views is at the heart of managing people. There are many views on how to manage people as there are individuals. Whether we hold a unitarist or pluralist view, when it comes to managing people, there are both hard and soft approaches. According to Tyson (1987) Personnel management is defined as managing the employment relationship.

### **Critical Success Factors Embraces Four Major Areas**

According to Oliver Kohnke (2016), Digitization not only changes the way of working, it also accelerates the speed of change that companies are facing. Organizational change management is considered to be critical success factor for any digital transformation program and embraces four major areas:

#### **a) Aligning Leadership**

Digitalisation effects top management leadership. There are three contemporary forms of leadership – Values based, Transformative and Authentic leadership. The study done by Han, Shahyan (2016) revealed that there are six characteristics of digitalization which effected the three forms of leadership. The different characteristics did not only change how the leaders practiced each of their leadership styles, but also how their leadership

manifested itself through the use of various digital tools, methods and processes in order to enhance and empower their leadership.

**b) Mobilizing the organization**

The study done by Michael de Kare-Silver revealed that, there would be need to be radically different structures and develop new competencies and skills and manage an inevitable cultural upheaval to be effective. It's becoming an organization – wide phenomenon requiring an organization-wide response. Large parts of existing physical distribution structures may either no longer be required or may need to change radically.

**c) Building capabilities**

Digitization skills are in short supply, so successful programs emphasize building in-house capabilities. According to the study done by Shahar Markovitch and Paul Willmott (2014), the goal is to create a center of excellence with skilled staff that can be called upon to digitize. The team must have the skills needed to build the required technology components and to address the need for new skill sets and roles, talent to be searched externally.

**d) Ensuring sustainability**

There has to be proper business model as well as other strategies so that the business is sustainable and provides economic growth (Mafe & Blas, 2006). It has been found that development of ICT provides sustainable escalation in productivity (Terzi, 2011)

## **FINDINGS**

Majority of the large organizations and many medium and smaller ones have adopted one of the competence based approaches to management job definition and from that linked it

to training and indeed, in many organizations, to a range of other aspects of managing people such as recruitment, induction, staff appraisal and promotion. Digitization has implications both on organization and employees. It not only changes the way of working but it also accelerates the speed of change that companies are facing. It has a prominent impact on economic growth and employment of any nation. Human capital is a key component to the impact of digitization (Katz, Koutroumpis, & Callorda, 2014)

## CONCLUSION

Management of people is by looking at the extent of change over time; historically there have been several phases in the way in which the management of people has been structured. The broad use of internet and the increasing popularity of lean philosophy has also increased the use and meaning of “digitizing” to describe improvements in the efficiency of organizational processes. Digitization can help to eliminate time waste by introducing wider access to data, or by implementation of enterprise resource planning systems. Information and Communication Technology has not only driven globalization but dramatically changed the way things are done as well. It has engendered what is now called the digital age. The digital age has its implications and with the growth of digital industries, the demand for digital skills would also increase. Continuous innovation and creative thinking would be required for facing the challenges of the digital business world (Jones, Beynon-Davies, & Muir, 2003). Thus managing people in the age of digitization became an important study.

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