

Application of Innovations in Human Resources Management

Džiugas Jakubonis, Rasa Romerytė-Šereikienė*

Dept. of Management, Lithuania Business College, Turgaus g. 21, Klaipėda, 91249, Lithuania

* Corresponding author, e-mail: rasa.sereikiene@ltvk.lt

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Abstract. Innovation in human resources management in today's fast forward changing world became crucial for the success of modern businesses. It is believed that human resources management (HRM) is one of the most important functions of the organisation, which helps to ensure business efficiency, competitiveness, and stability. Human resources management is no longer just instructions from a higher manager to the lower, that is the entire system of employee management, whereby the company seeks to be innovative, competitive, attractive to employees, creating workplaces, adapting to both economic and market conditions.

Keywords: Innovation; Human resources; Application; Business organisation; Technologies, Job satisfaction.

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Introduction

Human resources management is one of the areas of business management that is dedicated to managing and developing employees to achieve company goals and strategy. In today's fast-changing business environment, one of the most important challenges for every organisation is to remain competitive. With the situation in the market constantly changing, business needs to be prepared for a variety of scenarios. An integral part of a successful business is continuous learning and improvement, therefore innovation in human resources management (HRM) takes a significant part in a successful business model.

It is important for every company to be able to anticipate the changing needs of its employees and to develop and adopt new solutions to help meet that need. Nowadays, modern technologies which are used to digitise, analyse, and group data and can greatly facilitate the corporate governance process, become an indispensable facilitator of business management. The introduction of modern technology tools and the adoption of innovative solutions in company's HRM to engage employees becomes one of the key features of an innovative organisation.

The purpose of the article is to examine the application of innovative solutions in human resources management from a theoretical point of view. The main task could be formulated as follows: to perform the study of the application of innovations in human resources management from a theoretical point of view.

1. Concept and Importance of Innovation and HRM for Today's Organisation

Every organization, every business could not exist without people. People or staff form the core of an organization, reflect its culture, guide it forward with its work, skills, personal experiences and competences. Human resources are employees of the company who perform tasks in pursuit of one common goal - generation of business income.

The history of human resources management began at the end of the 19th century, when the first need for HRM emerged. The technology at the time made very significant progress in all areas, creating a great opportunity to create new and expand existing manufacturing companies and factories. This development also required additional human resources to service all equipment and increase

product efficiently. As the number of employees in companies increased, there was also a need for higher managers who could engage in employee management. Therefore, the end of the 19th century and the beginning of the 20th century was the beginning of the history of human resources management [1].

It is believed that more than a hundred years later, HRM has changed radically, it is no longer just instructions from a higher manager to the lower, it is the entire system of employee management, whereby the company seeks to be innovative, competitive, attractive to employees, creating jobs, adapting to both economic and market conditions.

Barney [2] argues that management is a practice of recruiting, deploying, and managing an organization's staff. According to him, HRM is often referred to as simply human resources, and the main task of this department is the development, implementation and maintenance of policies that govern employee-organization relations.

Table 1 presents the definitions of human resources management by various authors which allow us to understand what HRM is. It is believed that HRM is one of the most important functions of the organisation which helps to ensure business efficiency, competitiveness, and stability.

O'riordan [4] writes that HRM is a process that connects people and organizations to achieve their goals. This is the part of the management process that relates to the management of human resources in an organization. Arbab and Mahdi [5] argue that HRM is an administrative activity that determines the needs and resources necessary to achieve the objectives of the organization. According to the authors, in the context of globalisation processes, the constant introduction of technologies and various technical innovations into modern business requires the training and development of employee competence for organisations to remain competitive. Boxall and Purcell [7] from Bratton and Gold [6] point out that HRM is a process in which leading decision-makers seek to build the workforce needed for the organisation and develop the human skills needed for the organisation.

Gražulis et al. [3] point out that innovation is a continuous or periodic development of innovation, which increases the competitiveness of the organisation's activities. It can be said that innovative companies are ready to face technological and competitive challenges in the future. Lazarova [8] argues that innovation can be seen as the introduction of a new or significantly improved product,

Table 1. The concept of human resources management (HRM).

Author	Definition
Gražulis et al. [3]	Issues of motivation of managers and employees, appropriate management methods, style, selection of tools, which promote the achievement of the formulated goals.
O'riordan [4]	It is a process that connects people and organizations to achieve their goals.
Arbab et al [5]	This is an administrative activity that identifies the needs and resources needed to achieve the goals of the organisation.
Barney [2]	It is the practice of recruiting, deploying, and managing an organisations staff.
Bratton et al [6]	It is the process through which management shapes the workforce and tries to develop the human skills needed by the organisation [7].

Table 2. The concept of innovation

Author	Definition
Gražulis et al. [3]	Continuous or periodic development, experimentation and implementation of innovations that affect the breakthrough of processes, products, services, as well as the improvement of human resource management – all this increases the competitiveness of the organisation's activities.
EBPO and Eurostat [10]	A new or improved product or process that is significantly different from the previous products or processes of an institutional unit operating and is accessible to potential consumers or implemented by an institutional unit in its activities.
Taylor [9]	It is a process in which new ideas turn into practical value for the world.
Lazarova [8]	Introducing a new or significantly improved product, it can be a good or service, or a new organizational practice, redesigning the workplace.

service or new organisational practice or redesign in the workplace. Taylor [9] believes that innovation is a process in which new ideas turn into practical value for the world. The constantly changing economic and market situation, integrating scientific, technical, and technological innovations into our daily lives, one of the key factors of a successful organisation is employee learning and development. However, it is worth noting that training of employees to use existing products or business processes is not an innovative activity. Possible examples of training as innovative activities include training staff in the use of innovation, such as a new computer logistics system or new equipment, as well as training related to the introduction of innovation, such as informing staff or customers about the features of product innovation [10].

Table 2 presents the definitions of innovation by various authors, which allows us to understand what innovation is.

After analysing the sources of management literature, it is considered that HRM is a process involving many areas of management of an organisation, the main of which are employee recruitment, accounting, safety and health, education, and evaluation. An overview of the authors' definitions suggests that innovation is a process that aims to update a product, service or process and the result of an installed update.

2. Innovation and its application in human resources management

According to Lazarova [8], innovation is a key factor in the success of modern businesses. Global change in modern business, such as the growing importance of services, knowledge, creativity, and digitalisation, is creating a new type of economy in which resources such as knowledge, creativity, corporate reputation, and innovation are becoming increasingly important. Innovative solutions create a more competitive, efficient and employee engagement and satisfaction organisation.

Looking at the latest innovations in HRM, there are several main areas where innovation is most common. The following describes innovations by looking at the main areas of human resources management where a repetition of the application of certain modern technologies can be seen in several or more areas of human resources management: the use of artificial intelligence-based tools;

virtual and augmented reality; blockchain; the use of a constant feedback methodology; teleworking and data digitalisation.

Artificial intelligence means the ability of a machine that resembles human capabilities, such as reasoning, learning, planning and creativity [11].

Artificial intelligence tools and technologies have made an impact almost on all areas of HRM, both informational HRM and staffing of organisations, and the efficient exploitation and retention of employees.

Artificial intelligence allows technical systems to understand their environment, cope with the problems and solve them with a specific purpose. The computer receives, processes, and responds data (already prepared or collected through its own sensors, such as a video camera). By analysing the impact of previous actions and working autonomously, AI systems can adapt their behaviour to a certain extent' [11]. The technology is widely used and implemented in an increasing number of organisations in a variety of processes such as HRM, technological process management, tool development using machine learning and increasingly replacing human work with artificial intelligence. The world is dominated by all sorts of opinions, some employees fearing for their jobs, believing that computers and robots will finally take over the world and push people out, all sorts of theories of the apocalypse, while others see it as one of the biggest technological leaps and no doubt about the benefits for the whole world. There is no doubt that no employee is protected from making a mistake, and a computer can and increasingly changes the work of a person, where all this will lead, time will show.

Virtual and augmented reality technology is a technology that uses computer simulation to allow a person to interact with a three-dimensional visual or other sensory environment [12]. This technology is also increasingly used not only for entertainment, but also for organisational human resources management, one of which is employee training. Technology is particularly useful to train employees learning new skills, especially during medical or any other complex training, simulating the real environment but avoiding real consequences in case of failure or error. Companies also use VR and AR technology in their presentations to attract new employees. It is to be assumed that the use of such technologies in the organisation's HRM processes makes it possible to carry out trainings which, not

every organisation could afford because of the cost, danger, or lack of simple resources for training. Simulations of reality change reality by identically restoring the most dangerous operations in the medical field and in training that poses a danger to humans.

Blockchain is another new technology that enables changes in financial operations and the execution of financial operations to be made securely in the areas of HRM. According to Hayes [13], this is a distributed database in which the information recorded is irreplaceable and visible to all users at the same time. Organisations using blockchain technologies can significantly protect their data in relation to finances and employees. Technology allows financial transactions to be carried out instantaneously by converting currencies, adapting payments to the laws of the country where the financial transaction takes place, paying the necessary fees and transferring currency. Also, since this technology has its own servers in different parts of the world, hacking into it becomes insignificant, because if one server fails, it will work from another. The use of blockchain in HRM ensures simpler management of financial transactions both internally and internationally and significantly protects confidential financial information.

Constant feedback is an even more widely used way to improve the engagement, motivation, and communication of staff in organisations. Feedback allows employees to receive information about their activities not only from their managers or pending annual assessment, but also from colleagues or other department staff. Live meetings can not only raise employees' motivation, but also guide the employee in the right direction here and now. The stated individual operational objectives help workers to guide what is expected of them in their work activities and what the results are obtained [14]. It is believed that using constant feedback methods increases the involvement of employees in work activities and processes within the organisation. Constant feedback is one way to facilitate employee engagement and adaptation, during which the newly recruited employee will be able to absorb the incoming information about what is done well and where to try, without worrying or waiting for the annual evaluation [15].

Teleworking – due to epidemiological reasons around the world, many organisations have had to consider teleworking, thus becoming popular and even after the pandemic, some workers can continue working from home. Indeed [16] writes that the employees of the organisation are not working in a traditional office, but from home or elsewhere, working remotely. It is to be assumed that whether an employee will work from home or come to the office, the difference is small if there is no need for additional equipment that is not available at home. There is also an increasing number of offers to work in a hybrid way, both in the office and from home, modern technologies allow you to connect to the work computer and perform tasks even at home.

The digitalisation of data is also a crucial process for converting analogue information into digital format [17]. Digitalisation of data is essential for an organisation to innovate in HRM. Neither artificial intelligence nor applications based on it, as well as blockchain technology, will be able to read handwritten books and paper contracts, so it can be concluded that all data related to the organisation and its management must be entered into computer programs, documents must be digitised for smart technologies to understand them.

Main destinations and areas of innovations in human resources management are described in materials of European Parliament [11] as well as in articles [12-17]. Summarized schema is presented in Fig. 1.

"Innovation is a business tool to create wealth," Peter Drucker from G. Kawasaki [18]. "It is innovation that drives the world to

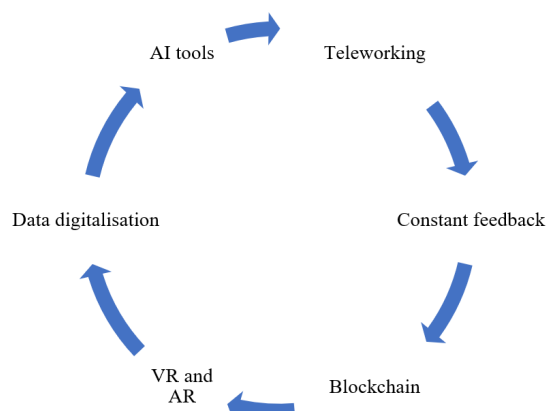


Fig. 1 Main destinations and areas of innovations in HRM.

progress, and change is essential," Kawasaki says [19]. The author emphasises that it is important to make sense and change the world, not to focus only on money. Innovation and new and bold decision-making open up paths and approaches to different things. Innovation is a powerful force that can change the world and have a significant impact on both our generations and future generations. By focusing on meaning rather than money and profit, developing new products, analysing customer feedback can achieve significant results and encourage positive changes in employee satisfaction when working not only for salary, but also with a meaningful idea and desire. Organisations are increasingly focusing on employee satisfaction as one of the key success factors. "Sufficient workforce has greater potential to increase productivity and efficiency while retaining employees" [20]. It is believed that the involvement of arrangers in the innovation process increases job satisfaction. Improving employee satisfaction is not just a monetary reward, but requires improvements in a wide range of factors, one of which is the involvement of employees in organisational activities and the process of designing and implementing innovation. Inclusion encourages diversity and employees to contribute to ideas, innovation, engagement, employees feel more suitable and valued in the company [20]. According to Harvard Business School, employees need to be involved in decision-making, this attitude demonstrates trust and gratitude for employees' opinions, a key factor in job satisfaction.

3. Results and discussion

The author of the article conducted a qualitative study of one of the largest manufacturing companies in Lithuania. The research aimed to find out what innovations are applied in the company's personnel management and how the creation and application of innovations affect employee job satisfaction and engagement. Table 3 presents the informants statements (made by author based on the received answers) on how to improve employee experience and increase engagement.

Looking at the information presented in Table 3, it can be said that there are several main opinions in the company about processes that can improve the experience of employees and increase their involvement. The received answers fell into two subcategories, namely technological and communication processes. According to informant X1, internal communication would be improved by the installation of info stations (self-service terminals). Until now, employees who saw relevant information on bulletin boards would have the opportunity to find information related to their work activities in the new terminals. Informant X2 states that self-service terminals

Table 3. Processes that improve employee experience and increase engagement.

Category	Subcategory	Evidential statements
Processes that improve employee experience and increase engagement	Technological processes	"In order to improve internal communication, instead of currently used bulletin boards and relevant information, it is being considered to implement info stations where employees could check and/or familiarize themselves with information relevant to them. The automatic account management system <i>Vecticum</i> has already been implemented. "Increases employee engagement, because paper invoices are abandoned, invoices are currently transferred faster, more conveniently" (X1). "Computerized (innovative) monitors installed in production facilities could help, with the help of which employees could more easily and quickly find relevant information about ongoing surveys, relevant questions in their profile (vacation balances, etc. HR information), initiatives implemented in the company or invitations to organized events etc." (X2). "I think, such as the introduction of new computer technologies and the updating of old ones" (X3). "The implementation of an electronic document management system will improve the experience of employees, encourage improvement, and help employees to perform their daily work faster and more efficiently" (X4).
	Communication processes	"Leadership development at all management levels, flatter organizational structure, employee empowerment, greater responsibility and freedom" (X5).

Table 4. The relationship between employee engagement and innovation.

Category	Subcategory	Evidential statements
"If the creation of innovations in the organization is used, then employees will be involved in the implementation of activities"	Evaluates positively	"I consider it positive. If innovative solutions are implemented in the company, employees are introduced to the benefits of all this and when a positive change is felt, and the process is improved/accelerated - this has a direct impact on employee engagement" (X1). "The statement is correct. I agree that innovation helps to involve employees in the implementation of activities. As I mentioned, I think that innovations make it easier to hear the opinions of employees and get valuable advice" (X2). "I agree and agree with the statement" (X3). "Yes, I agree" (X4).
	Innovation must be problem-solving	"Innovation is not an end in itself or a means to ensure success in any case. Innovations must respond to the organization's situation, help solve problems, questions, only then it will be a value-creating action that does not cause resistance or even chaos" (X5).

would increase engagement and improve the experience of employees, informant X3 also states that the implementation of new technological solutions and updating old ones would contribute to improving the experience and increasing engagement. According to informant X4, the implementation of an electronic document management system will help employees to perform daily tasks related to work activities faster and more efficiently. Informant X5 emphasizes communication processes such as leadership development at all management levels, a flatter organizational structure by reducing the number of departments should also positively influence employee experience and engagement. Also, in the informant's opinion, the empowerment of employees is extremely important for improving engagement and experience, when they are given not only more responsibilities but also greater freedom.

It can be asserted that, according to the answers received, the company is already applying innovative solutions in the areas of personnel management, using the latest technologies, such as self-service terminals, smart accounting programs aimed at improving the experience of employees by simplifying and facilitating daily processes related to work activities. Also, during the qualitative research, it became clear that, according to the informants, the experience and engagement of employees in the company would be further improved by "leadership development at all management levels, employee empowerment, greater responsibility and freedom" (X5).

Table 4 presents informant's statements (made by author based on the received answers) on if they agree that with the help of creation and implementation of innovations, the involvement of employees in work activities is increased.

After getting acquainted with the received answers, a large part of the informants evaluates the statement of the author of the work positively and agrees with it. Informant X1 submits that the implementation of innovative solutions, introducing employees to the

benefits of innovations, when a positive change is felt and processes are improved or accelerated, have a direct impact on the involvement of employees in the implementation of activities. According to informant X2, innovations make it easier to manage personnel, hear opinions, and increase engagement. Informants X3 and X4 agree with the statement of the author of the paper. However, informant X5 states that innovations and their creation are not in themselves a goal or a means of ensuring employee engagement. "Innovations implemented in the company must respond to the organization's situation, help solve problems, questions, only then it will be a value-creating action that does not cause resistance or even chaos" (X5).

It can be asserted that the informants agree with the statement of the author of the work. However, informant X5 emphasizes that only the creation and application of innovations in the company is not a guarantee of success to involve employees in the implementation of activities. Innovations must correspond to the current situation in the company, after analysing the real situation, justifying the need, determining the possibilities, it is possible to consider the implementation of a certain innovation. Staff questions and employee feedback can provide the most insight into internal innovation.

Conclusions

Computer technology is increasingly penetrating many areas, either by changing a person or by assisting employees in managing, analysing and systematising information. It must be noted that digitalisation of processes and information in the enterprise [21] is an integral part of innovation so that smart technologies can understand information. As a result, innovation in the company becomes an important tool to remain innovative, employee-attractive, competitive, and ready for economic and market challenges. Innovation is not always embraced by employees, and there are often various fears

that lead to opposition to future innovations. Feared for its value in the company, the job created the future in the organisation, the fear that the computer will replace the employee [22]. It is believed that management decision-makers in the organisation should provide a clear plan for introducing innovation, familiarise staff with it, create a team with clear goals and ambitions in the process of introducing innovation, as well as recommend communication with each employee who will potentially be affected by the upcoming innovation [23].

These methods should reduce the resistance of employees to future innovations. Looking at the theoretical part, it is noted that innovations in organisations HRM tends to have positive consequences in terms of reducing workload, simplifying the organisation's human resources management process, and increasing employee engagement and job satisfaction [20].

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Abbreviations

AI	-	Artificial Intelligence
HRM	-	Human Resources Management

Authors' contributions

Džiugas Jakubonis and Rasa Romerytė-Šereikienė initiated the research concept and design, data collection and analysis. Both authors interpreted the data and drafted the manuscript. Džiugas Jakubonis and Rasa Romerytė-Šereikienė prepared a theoretical overview and approach and requirements, and both authors drafted other parts of the manuscript. Džiugas Jakubonis prepared and Rasa Romerytė-Šereikienė revised the first draft of the manuscript. Both authors reviewed and approved the final manuscript.

Conflicts of interest

All authors declared at they have no conflicts of interest.