

# Challenges to HR Specialists in High-Tech Enterprises

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**Abstract** – The dynamic development of technology in today's digital world is leading to changes in business models, which predetermines a radical change in the role of HR professionals. The report outlines the trends in HRM work and the challenges facing HR professionals. On the basis of their own research, the authors show the evaluation of the competences of the specialists in human resources management in the high-tech enterprises.

**Keywords**—HR role, HR competencies, HR function, HR activities

## I. INTRODUCTION

We are witnessing a continuous change in the role of HRM professionals, depending on the entry and application of new technologies. Initially, their activity consisted mainly of administering recruitment and selection processes as well as employment relationships. In the next phase, the focus is on the psychological aspects of this activity, which allows to direct efforts towards motivation of human resources, training and career development. The next phase in the development of the HR function is related to activities that support the implementation of the enterprise's business strategy. In today's environment, the logic of business development predetermines the more inclusive role of HR professionals. Today, they need to have a good understanding of the business of the enterprise in order to connect their own work with the stakeholders in such a way as to add value to the business by retaining talent, leadership and job organization. Activities on providing effective HRM have direct influence on the Competitiveness of Business Organizations [15].

In this report, based on their own research, the authors seek to show the attitude of working professionals to HR professionals, related to the competence of specialists in the HR department, and to make methodological recommendations for changing the function of these professionals. The author's thesis is that the competencies of HR professionals in high-tech enterprises need to be radically changed to respond to new trends in human capital management.

## II. LITERATURE REVIEW

A review of the specialized literature allows us to conclude that a number of authors have analyzed the management of human resources as a subsystem within the organization [1,2]. The authors are also adherents to the systematic approach to human resource management, as this gives a clearer understanding of the place of the main activities involved in their interconnectedness. They are referred to differently in the literature, but in our opinion, their essence is precisely determined by M. Foot and C. Hook, namely - job optimization, human resources planning, staffing, training and human development resources, performance appraisal, remuneration, social benefits, safe and healthy working conditions [3]. For the implementation of these activities, a structural unit (department, sector, directorate, department, etc.) is established in large and medium-sized enterprises. In our opinion, one of the most in-depth and detailed analyzes of human resource management has been carried out in a series of books by a team of Bulgarian theorists in this field [4,6,12]. They elaborated on issues related to the organizational structure of the HRM unit and the evaluation of its activities, as well as the structuring of its core activities. We adhere to their classification of the main areas in which the HRM has responsibilities: the strategic area, the provision of advice and advice and the administrative support of the main processes. Corporate social responsibility [14] is also one of the important aspects of HRM.

The review of the specialized literature highlights a number of studies on the subject. One of them is devoted to how much of the unit's staff time is occupied by the activities in these areas [5,12]. According to this survey, about 40% of the time is spent in administrative-servicing activities, about 30% of time is engaged in providing advice and consulting services and about 20% is devoted to strategic activities.

Another survey shows that 76% of the surveyed organizations, with more than 200 staff in our country, have strategies for human resources. In 82% of the surveyed

organizations, there is a separate unit or a position in the field of human resources management, and in 40% of them, the head of the human resources unit is a member of the senior management team [6,13].

In order to carry out the tasks related to the main activities, human resources specialists need to have a number of competencies. In our opinion, the requirements for the competencies of the specialists in the HR department are presented in a highly systematic and clear manner by M. Armstrong as follows:

- Understanding business and cultural aspects;
- Strategic capabilities;
- Organizational efficiency;
- Internal counseling
- Provide services;
- Continuous professional development [7,9]

Undoubtedly, there are other positions in terms of what role and competencies HR professionals need to have in order to respond to continuous changes in business models in order to increase the competitiveness of high-tech enterprises. World human resources expert Dave Ulrich is popular in HR with his role model for HR professionals (Fig. 1).

### Dave Ulrich Model of HR Roles



Fig. 1.

According to this model, there are four major roles for human resources professionals, namely: strategic partner, change agent, administrative expert, and human partner. These are the four possible paths in which the career of HR professionals can develop. Ulrich is the first to talk about the strategic role of human resources professionals. The main contribution of David Ulrich's HR Model was the start of the movement from a functional HR orientation to a more partner organization in HRM Function. Business Partnering is not possible to implement without a major shift in the HR Organization. The benefit was a more responsible and flexible Human Resources organization that allowed many HR Professionals to become real respected business partners [8].

The literature review gives us an opportunity to point out the work of a team of specialists in the field of HR theories and practice "HR Competencies", which gives answers to the

questions of what makes a successful HRM specialist and which competencies have the greatest influence on the work them [9].

The problems related to the new trends in the work of HR professionals in the conditions of digital transformation of enterprises are constantly discussed in various scientific forums [13]. Reviewing discussions on these issues allows us to re-emphasize some of the views of world human resources expert Dave Ulrich. The biggest challenge for HR professionals is to add value to the business through talent, leadership and work organization. The focus of HR activities is to create HR practices that create the conditions for a successful and competitive business [8,9].

In order to be able to create these practices, HR professionals need to have a digital culture that has been the subject of a number of studies. According to a 2016 Deloitte Human Capital Trends study, 92% of companies are trying to reorganize in a way that will allow them to build this new digital culture, but only 14% know how to achieve it [11].

Only by having a digital culture and relevant competencies can these professionals support the business. In the new environment, HR professionals face the challenge of delivering competitive business benefits and success in three key ways:

- Digital learning - Organization skills must always be responsive to the ever-changing environment. Keeping pace is a critical success factor in the digital world, which makes digital learning more imperative than an option. HR teams can ensure that it happens as it should, is measured and optimized [12].
- Digital workplace - Give employees a way to connect and work together with a modern, digital experience. Combining staff management, talent and training into one platform makes it easier for management and employees to be more efficient and transparent in their actions.
- Digital talent - developing a digital-ready employee for the organization. The digital transformation has an impact on the organization's ability to attract top talent and increase staff engagement. However, leading talent is nowadays attracted by a modern work environment where they can feel satisfied with their work. The digital landscape is changing rapidly, which is why organizations need to be as flexible as possible in providing a positive employee experience [13].

These are, in synthesized form, some emphasis on the role and competence of HR professionals based on a review of some specialist literature sources.

### III. RESEARCH METHODOLOGY

The following methodology for conducting empirical research was selected to determine the HR professionals' competencies, as well as the various factors related to HR competencies in high-tech enterprises:

- Defining the target groups of respondents in terms of covering the phenomenon from all its perspectives.
- Determining the number of enterprises and respondents according to the requirements for representativeness.
- Identification of potential questions to the respondents. Determination of control questions. Open and closed questions.
- Selection of respondents. A partially random choice was made to identify a respondent in a selected enterprise.
- Conducting a survey of respondents. Time range. Statistical data processing. Confirmation of the results obtained.
- Performing initial analyzes based on the information received. Conducting interviews to clarify the results at issue.
- Valuation of the results obtained.

The survey was conducted in eighty-seven high-tech enterprises in Bulgaria between February 2018 and February 2019. Of these, twenty-two are large enterprises and sixty-five are small and medium-sized enterprises (SMEs). Twenty-six of the companies have foreign management (Germany, France, Austria, Sweden, Denmark, Italy, Belgium, etc.). The survey participants are 4350 employees, selected on the principle of education and qualification. 50% of them (2175) have a university degree in engineering, with a majority of majors in Mechanical Engineering and Technology, Mechanical Engineering and Appliance, Transportation Engineering and Technology, Electrical Engineering, and Electronics. We conditionally designate these participants in the study with Group A. The other half are with secondary vocational education in the fields of Engineering, Manufacturing and Construction and Information and Communication Technologies. These are the participants in Group B.

The purpose of the authors is to show the evaluation of the competences of the specialists in human resources management in the high-tech enterprises. In this connection, open and closed questions were used in the questionnaires, with the first group referring to how much time the specialists devote to the administrative-servicing activities, the provision of advice and consulting services and strategic activities. The second group of questions is related to their knowledge of the business, to their knowledge and implementation of the legal regulations in Bulgaria, related to human resources management, and to the contribution of the HR practices used for the success of the business. The third group is an assessment of the respondents of the activity of HRM specialists.

The study participants were given an opportunity to rate the second and third groups on a scale of 1 to 7.

The survey is followed by data processing and analysis of the results obtained, which will be introduced to you in the next part of the report.

#### IV. ANALYSIS AND RESULTS

The analysis of the obtained results enables us to organize and present them in tabular form. Table 1 shows the results of the responses of the two groups of participants on the first group of questions (Table 1).

**Table 1.** *HR specialists' time allocation for different activities*

№	Questions	Group A	GroupB
1.	Administrative services	50 %	60%
2.	Consultations	30%	30%
3.	Strategic activities	20%	10%

The answers to the second group of questions regarding the knowledge of HRM professionals for business, the knowledge and application of the legal regulations in Bulgaria related to human resource management and the contribution of the HR practices used for business success are presented in Table 2 (Table 2).

**Table 2.** *Assessment of HR competencies according to the stated requirements*

№	Questions	Group A	GroupB
1.	Business competence	4	3
2.	Knowledge of HRM laws and regulations	6	4
3.	Contribution of HR practices to business success	5	3

Table 3 illustrates the assessment of the HR activity (Table 3).

**Table 3.** *Evaluation of HR activity*

№	Questions	Group A	Group B
1.	Evaluation of HR activity	5	3

These are the illustrated results of the study. What do they show, what conclusions can we draw?

With respect to the first group of questions, we find that the survey participants from both groups indicated that a relatively large portion of the time HRM professionals devote to administrative services (Group A - 50%; Group B - 60%); and

a relatively small proportion of strategic activities (Group A - 20%; Group B - 10%).

The assessments given by the respondents to the stated HR competencies are a little about average. It is noteworthy that the participants in the Group B survey gave a lower rating to both competencies and overall human resource management activities (Group A - 5; Group B - 3). Our explanation for this result is related to the relatively limited communication of workers with HR professionals, which leads to incomplete information about the overall activity of these professionals. Interviews conducted to clarify some of the results allow us that many of the study participants in this group are not well versed in HR. Their interests are limited to specific problems with their employment relationship and pay. This also involves making an assessment based on a subjective assessment of the solutions to a personal problem. Participants in the other group are in greater contact with HRM professionals regarding issues related to their training and development, recruitment and selection, evaluation of work performance and motivation. Accordingly, they have a more complete understanding of the competencies and work of HRM specialists, which also implies a greater objectivity of assessments.

The results obtained serve as a basis for systematizing the following conclusions:

- HR professionals still spend much of their time on administrative services;

- HR professionals do not have the requisite knowledge of the business to a great extent to be able to add value to the business through talent, leadership and job organization.

- HR practices largely do not create the conditions for business success.

## CONCLUSIONS

The analysis of the results of the study shows that a radical change in the competences of the HRM and activity specialists is indeed necessary. Following the trends in the world of HR practice, we can formulate the following recommendations for change:

- Above all, HR professionals must acquire digital thinking and a digital culture. In the era of digital business transformation, most of the time needs to be focused on strategic activities, in order to provide real business support and added value through the available talents, leadership and work organization.

- The emphasis on HR competencies should be directed to a very good understanding of the business nature of high-tech enterprises in order to create practices that can contribute to the success of the business.

- The HR function should focus more on the business effect than on the HR activities. Digitization in HR work will not replace the human judgment and insight about the talent, leadership and organization that are needed to succeed in the market.

High-tech enterprises are in ever-increasing competition. To meet the rapidly evolving market and the extremely high customer requirements, HR professionals need to be a leader in enterprises in acquiring new competencies for all workers, such as: digital skills - both for the sake of greater efficiency and for improving people-to-people connections (for example, working with social media); the ability to create innovative and flexible organizations so that change happens within the company as quickly as the market changes. It is no coincidence that global expert in human resources management, Dave Ulrich, identifies the new role of HR professional as an architect of organizational capacity to ensure that customer needs are met [11,13]

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