

## DIGITALIZATION AND ITS ROLE ON FLEXIBLE WORKFORCE

RACHNA BHOPAL<sup>1</sup> & DR. RITA DEVI<sup>2</sup>

- 1 Research Scholar, School of Commerce and Management Studies, HPKVBS,  
Central University of Himachal Pradesh, Dharamshala
- 2 Assistant Professor, School of Commerce and Management Studies, HPKVBS,  
Central University of Himachal Pradesh, Dharamshala

### ABSTRACT

In the era of technology driven management, the digitalization becomes the necessity of the organization. Digitalization is the process of digital transformation of business which provides value producing opportunities to both employees and organization. The working conditions can be improvised with the digitalization as it contributes to more stable form of growth. Digital transformation needs more skilled employee. To meet this need of employee at any given time the contract workers, freelancers, part time and temporary workers were hired which introduced the concept of flexible workforce. This secondary based qualitative research paper explores about the role of Digitalization on Flexible Workforce. The research paper highlights the role of digitalization on flexible workforce and mentions the success factors to adopt digitalization in workplace.

**Keywords:** Digitalization, Flexible Workforce, Digital Workplace, Employees, Digital Transformation.

### INTRODUCTION

The term digital workplace coined with natural progression of technology at working place. The operational as well as the work to be implemented, both are encompassed in organization by the technological expert workforce. The work ranges from business applications to virtual meeting tools to e-mails as well as instant messaging. The evolution of digitalization in workplace shifts the expectations of employees to higher level. The organizations which do not support the digitalization in workplace have to face the risks of falling in their future growth. With growth of advanced technologies, the organization needs to change their mindset to adapt new skills and competencies required (Trenerry et al., 2021). Digitalization increases the organizational effectiveness by providing more opportunities at workplace (Colbert et al., 2016).

Digitalization requires changes including calculated risk, increased collaboration and customer centricity for successful transformation. Digitalization in workplace is implemented with intention to improve responsive leadership and to improve employee connectedness (Zimmer et al., 2020). Digitalization give rise to performance demands of the workers by affecting the working time and private life

of employees (Cazan, 2020). The digitalization creates challenges like security, developing a new kind of digital etiquette, new perception and assumption of employees in business environment (Haddud & McAllen, 2018).

Flexible workforce is a type of working fashion being different to the standard or the easy going contractual hours of the workers. In this scenario the workers can alter the working place or the working timings of the job. This flexible work arrangement provides them the freedom to work from comfort of the home, anywhere outside the same office or even allows them to do job sharing with colleagues. Keeping this in mind the companies have introduced flexible working policies. Digital Era Governance offers the convenience of creating self-sustaining change, in a wider area of intertwined technology with society, culture and organization (Dunleavy et al., 2006).

Flexible workforce enhanced the employee's ability to perform variety of jobs, their participation in decision making process and reducing the cost by limiting their involvement in organization (A. L. Kalleberg, 2001). Flexible work arrangements provides the choice to workers over when, where and how to accomplish the tasks by increasing their productivity and reducing the absenteeism. The high skilled workers are more prevalent to adopt the flexible work arrangements. The arrangements mutually benefit the organization and employee as the organizational gaps are filled by using the specific skill set of the freelancer (Jarrahi et al., 2021). The flexible workforce embrace the transformation needed in the organization as they have high resistance to change. The success rate of that organization is increased who adds digital transformation process to their workforce (Belle, 2019).

## **RESEARCH METHODOLOGY**

The secondary data sources including research papers, journals, articles and books related to the field are explored for qualitative type study. The insight of the review paper is to bring forth the explanation to research objectives and to state the reasons for embracing digitalization in flexible workforce by reviewing the work done before on this area.

## **OBJECTIVES OF THE STUDY**

- To study the advancement of digitalization in workplace
- To examine the role of digitalization on flexible workforce.
- To evaluate the factors to adopt digitalization in context of flexible workforce.

## **ADVANCEMENT OF DIGITALIZATION IN WORKPLACE**

Digitalization is the creator of virtual labour, where it created paid and unpaid labour in relation to consumption and co-creation of goods and services (Valenduc & Vendramin, 2017). Far back with agricultural and industrial revolutions, the digitalization has shaped the employee's connectivity by introducing combined work and proper channelizing of information. The technological shift occurred due to emergence of aging workforce, the need of speed, information overloading, system of engagement, system of productivity and outcome.

Digitalization contributes in increasing the speed of the activities of daily life. Throughout the day –night, the work is done at faster pace leading to multitasking and less time consumption. These more activities give rise to more work pressure as less time is spent on each activity (Sullivan & Gershuny, 2018). With the rapid advancement in digital technology and introduction of transformation across the economy the concern regarding the future workforce increases automatically. To remain competitive and to sustain in the business the organizations need to accept as well as adopt the technological changes. It is of prime concern to enhance the digital capabilities of employees and to understand their perception and attitude towards this technological change (Trenerry et al., 2021).

Digitalization is the creator of flexible workforce which can be virtual or digital labour, paid or unpaid labour or new type of labour related with the utilization of services and goods (Valenduc & Vendramin, 2017). The organizations adopting Digitalization works on mass customization, value added products and competitive pricing in a highly dynamic way. The workers are offered with significant advantages like mobility, flexibility, productivity and improved efficiency in a digitalized work environment. Organizations are working constantly to develop the ways to create more flexibility in workplace to meet the necessities of the workers. (Attaran et al., 2020)

Flexible working hours, anytime anywhere virtual connect with other people and devices are provided by digital working area. The place helps the employees in contributing their thoughts to wider perspective by playing gateway to transmit the knowledge to wider perspective. The digital technology and its applications are increased by digital innovation. The digital innovations enhances the business processes, workforce efficiency, customer experience, and for launching new business models. Table 1 highlights the reasons for adoption of digitalization at workforce by the blooming organizations which are created on the basis of the rigorous review done for papers published by researchers.

**Table 1: Reasons and explanation for adoption of Digitalization by the organizations on the basis of literature review.**

| Reasons for adopting digitalization | Explanation  |
|-------------------------------------|--|
| Aging Workforce                     | The knowledge, skills of the aging workforce is taken by them once they retire so the emergence arises to capture their knowledge.   |
| The need for speed                  | The fast working speed and high collaboration is needed by employees for getting the work done a tight time.   |
| Information Overloading             | With the advancement in technology, the information rate is growing and adding to information overloading as in large pool of information the employees are unable to find what they need in real. |
| System of Engagement                | The larger network and system is needed by the companies to collect and retain the information gathered before   |
| System of Productivity and Outcomes | The existing workload of the organizations needs to be reduced by the linkage of digitalization to productivity and outcomes. It creates efficiencies for the team, customers and the companies    |

Table1. Reasons and explanation for adoption of Digitalization by the organizations on the basis of literature review.(Jarrahi et al., 2021) explained the five dimensions of the flexible workforce by dividing flexible workforce to spatial flexibility, geographical flexibility, technological flexibility, organizational flexibility, temporal flexibility. The flexible work arrangements make workers less dependent on organizations as these arrangements are more prevalent among high-skilled workers. The mostly adopted flexibility of workplace by the nomadic people is spatial flexibility. More is the spatial flexibility for the workers who have high ability to detach themselves from their work environments or specific locations. Work from anywhere is the productive example of geographical flexibility as it completely eliminates the linkage of geography of home and company location. It was the need of an hour during the current pandemic of Covid-19.

Temporary workers, part time workers usually prefer the temporal flexibility as they can easily shift or change their specific work schedules as per the requirement of the organization. Gig workers, contract workers and freelancer promote the organizational flexibility as they are beyond the reach of organization's administrative control. All types of flexible work arrangements are included in technological flexibility as it provides the flexibility to adopt the self assisting technology and infrastructure that supports their task.

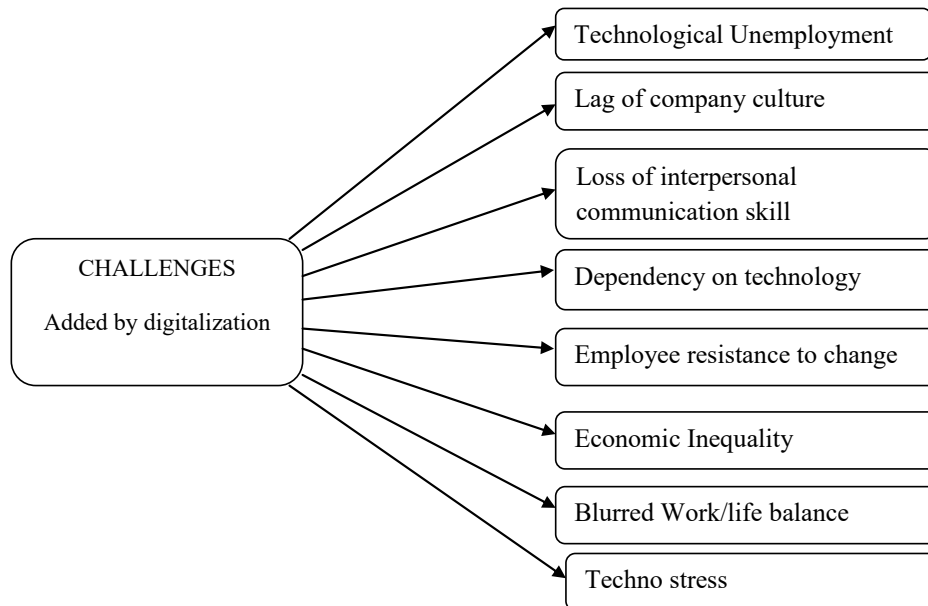
## ROLE OF DIGITALIZATION ON FLEXIBLE WORKFORCE

With the shift in demographics of workplace, the employers hassle to satisfy the diverse needs of a workforce also varies with time. This pace of change is accelerated with the digitalization in workplace. The evolving digital workplace addresses these concerns by helping organizations to achieve desired goals. Table 2 explains the role of digitalization on flexible workforce on the basis on certain parameters being formulated after the rigorous review of research papers.

**Table 2: Role of digitalization on flexible workforce**

| Parameter                     | Effect  | Explanation   |
|-------------------------------|---|---|
| Working Style                 | Support the diligent change in working method     | It empower employees to work in clear cut way in an organization  |
| Communication                 | Amalgamate the offline and virtual communications | It keeps the employees connected through internet to tools and corporate information by providing anywhere and anytime access                   |
| Employee Experience           | Focus on employee exposure and involvement        | Helps in imparting user with exposure, knowledge, participation by providing them with better options, flexibility in work and personalization. |
| Virtual work environment      | Assist virtual work environments                  | The employees are connected to virtualized work locations where the customer's privacy and functional risk is balance in distributed network.   |
| Expenditure and Productivity  | Minimized expenditure and enhanced efficiency     | The organization minimizes the expenditure and enhances productivity by contributing to rightness of tools and information at needed time.      |
| Talent                        | Attracting the right employees                    | Top candidates are offered escalating innovative work atmosphere to excel in the job assigned.  |
| Quality and condition of work | Improved quality and condition of the work        | The multitasking of work and less time consumption improves the quality and condition of the work.  |
| Transparency and efficiency   | Greater Transparency and efficiency               | Both the transparency and increased efficiency are the yields of digitalization.  |
| Unemployment                  | Reduced Unemployment                              | The unemployment is reduced by developing the virtual work force without changing the employees' residence places                               |
| Life quality                  | Improved well being                               | Advanced technologies and digitalization has improved the life quality of the end users.  |

Along with advancements in workplace, the digitalization also adds to challenges. Figure 1 shows the challenges added to organization on adoption of Digitalization.



*Figure1. Challenges added by digitalization.*

The technological change as well as digitalization is the cause of job loss as employees are not able to cope up with the advancements in the technology. The risk of technological unemployment as well as lower wages has increased with the adoption of digitalization (Piroșcă et al., 2021). The company culture is lagging as rate of technological change is much faster to the process to which society responds. Digitalization has affected nonverbal communication as absence of peer to peer interaction among employees reduces the nonverbal grabbing power of a person (Venter, 2019). Dependency on technology is diminishing the patience, focus and human interaction as employees expect an instant favorable response which is realistic in modern technological world. The one of the challenge is employee resistance to change to new technology and advancements. Employee's insufficient experience and low motivation setbacks the urgency of change leading to job anxiety and growth (Batch et al., 2013). The risk of technological unemployment as well as lower wages has increased with the adoption of digitalization (Piroșcă et al., 2021). The risk of economic inequality increases with the advancement of digitalization in as the highly adaptive organizations goes far beyond the others with advancement of technology. When employees are at homes they find it difficult to switch off from

work as the period spent using technology solely for work is not controlled by the individual, this completely changes work/vbalance of employee (Cijan et al., 2019).

## FACTORS TO ADOPT DIGITALIZATION IN CONTEXT OF FLEXIBLE WORKPLACE

**Table 3: Factors to adopt digitalization in context of flexible workplace with suitable reasons**

| FACTORS                      | AUTHORS                  | REASONS  |
|------------------------------|--------------------------|--|
| Adaption to abrupt change    | (Piroșcă et al., 2021)   | It was revealed from the current pandemic that workforce with digital skills can adjust quickly to abrupt changes. More organizations should shift to digitalization of flexible workforce to overcome such instances. |
| Greater Job Satisfaction     | (Ratna & Kaur, 2016)     | The execution of new technologies in workplace increases the job satisfaction of employees.  |
| Greater Job Satisfaction     | (Gallie, 2013)           | Digitized workplaces and other non-wage factors, results in higher corporate efficiency by improving the employee's favorable job perceptions.   |
| Worker Autonomy              | (Hackman & Oldham, 1976) | The digitalization promotes worker autonomy by providing freedom, discretion, independence to employees from scheduling the tasks to defining the process to complete them.  |
| Transparency of Information  | (Kuusisto, 2015)         | The information becomes more accessible and transparent when digitalization is used. More information can be shared with employees of lower level hierarchy.   |
| Exploring more opportunities | (Jarrahi et al., 2021)   | Personal Digital Infrastructures (PDIs) help introduce workers to the probability of flexible work while avoiding the unwanted future challenge of precarious work.  |
| Digital Upskilling           | (Popescu et al., 2019)   | The organizations invest in trainings for their employees to digital upskilling of technological innovations.  |
| Work Performance             | (Cazan, 2020)            | As a result of digitalization, self organization and reachability have become more demanding for employees   |

## CONCLUSION

Nowadays it has become the priority as well as necessity to integrate the digitalization and flexibility of workforce to adapt the crisis. Digitalization along with flexibility increases the employee productivity and job satisfaction. Flexible workforce is more focused on actual achievements and exploring more opportunities. The restricting

business activities, standard working hours, location of workplace somewhere diminishes the performance of the worker. This challenges can be overcome by adopting Personal digital infrastructure.(Jarrah et al., 2021).

The technology provides the network to employees to improve their communication, connection and collaboration. The effective implementation of digitalization with flexible workforce is capable of mitigating the common risks and enhancing business values. Digitalization is capable of generating significant opportunities for the digital workforce. Employees are demanding consumer-like experiences from the organization to adopt technology in their personal lives, with greater flexibility on where and how they work. The organizations need to be faultless in selecting tools and technologies, executing change management, developing digital workplace strategy to embrace the effect of digitalization on flexible workforce. (Cazan, 2020) suggests attaining digital maturity to enhance the positive aspects and disadvantages of digitalization.

### **LIMITATION OF THE STUDY**

For determining the objectives of the secondary data study, the research is limited only to the papers reviewed. In future a thorough primary data research can be done for determining the role of digitalization on flexible workforce. For precise interpretation the data should be taken from specific sector.

### **SCOPE OF THE STUDY**

The study provides the success factors to adopt digitalization in flexible workplace as a digital workforce may develop new methods of functioning with complete effectiveness of technology (Colbert et al., 2016). The study suggests that introduction of digitalization in the flexible workforce affects the concept of a workplace community by enhancing the level of coordination between employees increasing creativity and innovation across the organization.

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