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# BUSINESS AND LABOUR CULTURE CHANGES IN DIGITAL PARADIGM: RISE AND FALL OF HUMAN RESOURCES AND THE EMERGENCE OF TALENT DEVELOPMENT<sup>1</sup>

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**Abstract:** This article aims to be a critical review, with comparative and hermeneutic techniques, about the labour relations development into the welfare state economy and the current fall in the digital economy and the post-globalization. There is a diagnosis of the transition in progress (4th industrial & digital revolution with the change in labour relations and business culture), from the human resources departments for replicate-workers in traditional bureaucratic corporations, to the emergence of the talent development areas for creative-collaborators in agile business organizations. Also, it includes additional explanations about the new kind of collaborators (knowmads & freeriders), and the officer of cultural management and talent development.

**Keywords:** Business & labour culture; digital transition; human resources; labour relations; talent development; wellbeing economics.

**JEL cod.:** A14, B5, J8, K0, N3, O15.

#### Introduction

With the globalization, social changes have been intensified (in the whole social spheres: Law, Policy, Economy, mainly). The world is moving from a controlled rigidity period (world in squares) to other new, more flexible and open (world in circles). The world in squares (based in the belief of security and scarcity), refers to the period dominated by the

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nation-state, which sought to protect all social spheres within its borders. with its rigid rules and institutions, of a directional and bureaucratic nature. The world in circles (of uncertainty and abundance), manifests itself with globalization when the global-village project for humanity is recovered, as announced by the UN Charter of 1945, and its order of international organizations, with a set of network for a global convergence. These changes request a review of the paradigm to understand and to manage better the social reality. Especially, considering that globalization has already ended, after the 2008 crisis of values (named for affecting financially and morally, with the moral risk), giving way to postglobalization<sup>2</sup>. The post-globalization is the trial period and convergence (Horizon 2030) for peoples to align themselves in the project of achieving the desired knowledge society and its corresponding economy: the knowledge economy or true welfare economy (not of the State and its welfare state economy, but humanity or well-being economics-WBE). In the current transitional period, the digital economy (DE) has hatched, after of the 4th industrial & technological revolution, whose current phase is the so-called gig economy, which comprises the combinatorial of the collaborative/shared & circular economy (CCE), the autonomous economy (AE) and the orange economy (OE)3.

However, if everything changes, should not the academic apparatus with these changes are also studied? Does it make sense to continue

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<sup>&</sup>lt;sup>2</sup> This (what this?) is a brief phase of adaptation: from 2008 (end of globalization with the crisis of values) to 2030 (no-return point, called Horizon 2030). The following converging synergies have established this date: a) international organizations (e.g. UN and its *global compact* and 2030 Agenda of SDGs, ILO and its *Future of Work*, EU and its commitment to all of the agenda (as Green deal) in multi-year budgets 2021-27), b) geopolitics (e.g. consolidation of the transpacific area and its world primacy, end of the five-year Chinese plans for its pearl necklace and new silk route); c) generational (retirement of generations identified with EB, such as *baby-boomers & gen-x*); d) technological (consolidation of the singularity: the moment in which technological progress will accelerate globally), among others.

<sup>&</sup>lt;sup>3</sup> Minimum notes on DE gig phase: a) CCE, is based on social networks, recycling shared goods and services (e.g. Airbnb, Uber); b) AE, is based on big data, IoT, AI, AR-VR-MR, among others., articulated through 5G, blockchain, smart contracts and DAOs (e.g. autonomous car fleet investment funds, fintech); c) OE, is based on talent and creativity applied to experience and entertainment (e.g. gastronomy, tourism, video games).

reducing the economy to its macroeconomic and econometric study as it has been dominating in the years of splendor of the Welfare State Economy (WSE) or should other renewed approaches be considered? Facing the dominant or *mainstream* economic trend (from Keynesians to econometrics and cultivators of game theory or neural networks for modelling), here it is preferred to follow the current renovating proposals such as Global Economics & Cross-Cultural Management (GE&CCM). This approach is the merger of several initiatives that have occurred after globalization, in particular, that, operating in the USA (a few countries, like Netherlands) with the renewal of studies in Business Schools (e.g. dimensions of Hofstede, management of organizational happiness of Seligman) and the so-called Fresh-water Economic School (inland universities and great lakes: Chicago, Northwestern, Michigan. Minneapolis, Carnegie Mellon, Pittsburgh, Minnesota, Cornell, Rochester, among others). Also for the hermeneutic turn in the Nobel Prize in Economics, since Amartya Sen (1998), the majority have been paying attention to consumer behavior and labour and organizational relations (e.g. Akerlof, Deaton, Kahneman, Schelling, Smith).

Thanks to GE&CCM approach, it is possible to realize a micro-cultural analysis of labour and organizational relations, following the transition from an old rigid and bureaucratic HR model (within WSE) to a new, flexible one and creative of authentic welfare (according to DE's talent and happiness management, see supra). In the old model, as if it were a train, one "stood on the rails" in an organization, knowing in advance its route, stops, and the exact day of completion of its journey (or retirement). It makes sense to speak of HR (as replaceable pieces of the system), but since the dawn of globalization (as early as the 1970s), this paradigm entered into crisis, and today it is coming to an end. The main reasons:

- a) the organizations sought the satisfaction of objectives, functioning as well-geared machinery, in addition to having abundant spare parts (HR);
- b) a mechanistic and bureaucratic vision of labour relations and business organizations, giving way to another more organicist cycle, even diffuse, not only due to its uncertainty but also due to its fading, when the tangible and the virtual coexist.

### Human resources: rise and fall

During the 2<sup>nd</sup> industrial revolution in the USA, there was a great transformation: taking advantage of the great migration from the countryside to the city, which led to the industrial boom, mass recruitment, and the awakening of Labour Law. This is when engineers as

F.W. Taylor design the organization of work, standardizing it, within the framework of a production chain, measuring and adjusting tasks and times, as if it were a piece of large machinery (Taylor 1911). Thus the so-called Taylorism and/or Fordism is developed. Current historiography seems to insist on differentiating approaches (as some Ford biographers, as Hounshell 1985 and Brinkley 2003). Nevertheless, both characters converged on business goals as well as personal and institutional connections. Ford applied Taylor's management principles, not only by reading it (co-authored in his writings with S. Crowther 1922, 1926, 1930), but also benefited from his studies at *Bethlehem Steel Co.* for the manufacture of the *Model T* (Paxton 2012), in addition to their connection via *American Society of Mechanical Engineers* (ASME), and The *Franklin Institute*.

The combination of proposals from Taylor and Ford, led to increased production in the manufacture of automobiles (achieving the massproduction), at the same time as the establishment of one of the first most successful HR models, known as the scientific organization of the work for chain production: based on scientific methods of that time, that is, with positivist methods, measurement and experiment of trial and error, where a typified relationship of the worker with production is proposed to maximize its results: the artisan production was intuitive and limited (each artisan made a reduce number of pieces, similar but unique); the industrial production, thanks to the specialization and division of tasks, with the help of machines, it was possible the mass-production (Rosenberg 1965). In this system, for its critics, it seems that the workers were reduced to simple force of labour, with mechanical tasks designed, with no place for creativity (Marx 1867). This mechanical system (in which the worker has a minimum qualification in a dependent employment relationship, leasing his effort and time in exchange for a salary), is corrected and increased with the interwar period bureaucracy when the differentiation between the blue-collar and white-collar worker (Wright Mills 1956), reaching its zenith with WSE after 2nd World War (Sánchez-Bayón 2017). It follows that every mechanistic system (as the old HR model) has a limited cycle (lacking self-regenerative capacity), suffering from crisis, and its final expiration. This can be seen in the 4th industrial revolution and digital transition: thanks to the internet, programming (e.g. blockchain) and mobile (as an integrated office), the era of social networks, apps & ewc or continuous virtual marketing, giving the return of the professional (knowmads v. free riders, see later), who can be a commission agent, biller, affiliate, among others. (New formulas for the regulation of mixed labour relations emerge, e.g. click-pay, flexicurity, part-time jobs mix). It is also the period of the emergence of smart contracts& DAOs (smart

contracts in the form of codes in the cloud, whose parts are artificial intelligence, which operates from the Stock Market to driving without a driver). In this way, it is not only transited to the phase gig of DE, but it is also outlining the new stage of capitalism, such as talent, promoted by happiness management (Sánchez-Bayón 2019b).

Hence, the fact of having fulfilled objectives and having completed cycles, should not be seen as a weakness, as precariousness and mourning for the rigid and safe world in expiration, nor is it a threat of volatility and fragility due to the continuous and accelerated changes. Rather, if the *post-Modern veils of confusion* are removed (just *veils* for next mentions, Sánchez-Bayón 2017), there is a chance to make a balance, to understand how is the transition from the technical and reiterative workers of WSE to the creative and proactive collaborators with talent in DE.

To make a balance of the development of industrial relations, and with them, also of HR, it is not necessary to return to the origin<sup>4</sup>; it is enough to evaluate the last century and a half, since the 2<sup>nd</sup> industrial revolution (as it has already mentioned). Even when it comes to HR, it is enough to return to the 1990s, given the crises as mentioned above, transitions, and new cycles. Given the veils extended, it is an emergence the review. It is an attempt to recover the management of the authentic, rational, and real (bia logos-ethos: technical-rationality), abandoning at once the ideological, discursive, and emotional (bia pathos-mythos: collective emocionality). For this, it is advisable to re-graduate the view in terms of the paradigm used, such as intellectual glasses, to better perceive and manage the underlying reality, solving its problems and challenges, in addition to recognizing the ground on which is stepped. This post-globalization is in progress, humanity is at a cross-point and it is not just an emergence to rediscover the reality (social and natural, plus the virtual in growing), also it is necessary to review the paradigm to apply. In this sense, this paper offers some critical and refreshing notes on HR model during the WSE, and the talent development model in DE (see table 1)

<sup>&</sup>lt;sup>4</sup> Possibly, talent-based labor relations arose in western civilization from cathedral builders, being the only itinerant and reputation-dependent guild, forerunner of the Liberal Arts, e.g. medicine, advocacy, journalism.

Table 1. Revelations of paradigmatic changes and labour relations in companies

# **OLD PARADIGM (WSE)**

# **NEW PARADIGM (DE: gig to WBE)**

Industrial and material economy (mechanistic)

Male (hierarchical, competitive)
Tangible and scarce (factory/office, goods) Reification (money, overtime, qualification, results in orientation: hygienic measures) Workers: uniforms, Secondary sector, subordination (salaried, straight) Syst. closed: rigid and poor (bureaucratic, for a position)
Competition (repetition –partition ratio-, business / multinational concentration: rails) Macroeconomic study. and econometric: main agent SP

Simple, one-way relationships (B2C), single-business L / P, and limited FPP (fixed costs) Atom (size and location of offices, warehouse stock, number of employees)

Manufacturing (value added by the transformation of goods)
Control management (correct and monopolize inf.)

Results for pressure and decisions for fear (dismissal)

Economy of Knowledge and experiences (quantum)

Feminine (holocratic, communicative) Virtual and abundant (mobile, connections, experiences)

Humanization (welfare, leisure, talent, orientation to people: motivational measures)

Collaborators: diverse, tertiary and quaternary sector, choice (autonomy, responsibility)

Syst. open (autopoietic): flexible and abundant (creative and changeable) Collaboration (Innovation –Westminister system: 1<sup>st</sup>. wins all-, co-working: elephants –big companies- and ants –each professional- world)

Microeconomic study. and CCM: main entrepreneurial agent

Complex and multiple relationships (B2C, B2B, P2P, among others.), multi-business C / P, variable FPP (heuristics)
Bit (speed & everywhere-commerce, ondemand, collaborators talent)
Mind-factoring (qualified service –

concept/experiences- and higher value) Delegation/coach management (rules and information sharing)

Results. for projects and achievements, and decisions for love (to what I do, with whom, m-v-v)

Source: own-elaboration.

To make a true balance of the evolution of labour relations and the HR area, the first veil to be removed is that of the socialist epic in this regard: the progress achieved is not a monopoly of any party or union, but it is a convergent institutional synergy of reform (in the interwar period), which starts from the International Labour Office of the League of Nations (later the International Labour Organization in the United Nations), passing through the state parliaments at its various levels, up to the implementation guidelines within companies, with the participation of

company committees and other intervening agents. Hence —and once again—, everything starts with the second industrial revolution, applied to the primary sector, when a good part of the traditional agricultural and energy trades disappear, in addition to promoting the secondary sector, with the development of industries with chains of production, and with them, the emergence of new labour relations. Thus there is a migration from the countryside to the city, with an endless number of socio-cultural changes, not exempt from conflict and the urgency of planning in this regard.

Hence, the true is launched of Labour Law (relating to salaried employees and in a dependent relationship), has its peak in the aforementioned interwar period, with the minimum common framework given by the ILO, developed by national parliaments, and made in each company. The said framework was revised and expanded in the post-war period, with the boom in the tertiary sector and to leap WSE and its diversity: with private workers employed by others (Labour Law) and their own (Commercial Law), work services and society (Civil Law), public employees (Administrative Law), among others. In this interwar period, Fayol (1930) & Mayo (1924), they contributed to the theory of positive administration, studying the efficiency of managers in organizations: the workers were more affected by social factors, such as moral and satisfactory relationships in a workgroup (Sennett 1998).

It should be noted that neither the denomination nor the inspiration of the WSE is social democratic (rather, much criticized by it in the beginning, VV.AA. 1971). Its name comes from the opposition to the war economy (instead of war-state, it was passed to welfare-state), being driven by liberals, Labour and Christian Democrats (e.g. Lord Beverage, Lord Keynes, Adenauer, De Gasperi, Schuman). After the interwar period, there was a shift from HR focused on hiring industrial workers for others, low-skilled and undifferentiated (hence the perception as interchangeable parts of the system), to the qualification of human capital (a term used on the Pacific coast) and Personnel Administration (a term used on the Atlantic coast). This required specific attention to the specific positions and the most suitable people for their performance. Nonetheless, despite the qualitative transition, the mechanistic and bureaucratic vision is maintained, even increased: since, after the devastation of World War II, only the public sector has the muscle to reactivate the economy, it proceeds to hybridize politics and economy in the WSE model, nationalizing the leading companies in strategic sectors (e.g. France: France Telecom, Air France, Renault; Spain: Telefónica, Iberia, SEAT). In this sense, the Personnel Administration operates in the same terms as the rest of the Public Administrations: public calls for contracts via selection

systems close to the competition-opposition, hierarchizing and standardizing employees, among others

Regarding human capital, it is worth paying attention to the positive feedback between the US and Japan, although it also ends up reaching other Asian tigers: South Korea, Singapore, Hong Kong, and Taiwan. Unlike the European bureaucratic and directional model (sometimes with US funding, e.g. German Ordo-liberalism, French Gaullism), the Asian variants aim to go further, giving rise to the peculiar corporate bureaucracy of family conglomerates favoured by the State (e.g. South Korean chaebols: LG, Lotte, Daewoo, Samsung, Hyundai). In these variants, the bureaucracy is not so much due to the valued processes, since it seeks to lighten them decisively and expeditiously, but rather to the psychosocial hierarchies and ties on which they are based (it is a bureaucracy not of suitability, but identification mission-vision-values). Thus, expressions such as:

- Toyotism (also known as *ohnoism*): if an engineer and consultant as Taylor formulated the scientific organization of work, successfully applying it by an industrialist as Ford to lay the modern foundations of chain production and HR with selection and training of labour for large factories, in Japan it was two distinguished engineers who made toyotism a reality, going further (Gronning 1997). On the one hand, Kiichiro Toyoda (son of the textile industrialist, but who made a reconversion of the company towards the automobile sector); on the other hand, Taiichi Ohno, who would learn from the practices of the US Army deployed in his country (e.g. TWI training programs), combining them with his cultural approaches, especially Taoism and Buddhism. In this way. implemented the kaizen model of improvement, for quality management and without waste. It is continuous improvement, with a reduction of waste (materials left over from the production process), warehouse stock (both raw materials and production), schedules, and employees (with shift rotation and equipment), among others. Thus was born Toyota Production System (TPS). After the energy and the industrial crisis of 1973, when the expectation of developing mentalism and full employment fades, Americans assimilate the TPS model, replacing chain production with just in time or adjusted, on-demand, and cost reduction. This response was influenced by the ideas of Schumacher (1973) who, in his bestseller, Small is beautiful, criticized the inhuman way of work that automation brought, and appealed to work as a place of fulfilment, to an "economy Buddhist" in which work allowed the development of personality. Society, he said, needed equipment that was: cheap enough to be available to everyone, on a small scale, and compatible with man's creative ability. Most of the progress of the economy was pointing in the direction of quantification at

the expense of understanding quantitative differences - because quantifying is easy, but understanding difficult. And in a way, Toyotism seemed to meet many of its demands. Besides, it promoted other management proposals, such as the replacement of the push system (or sales forecast) by pull (or replacement, the base of the current supermarket retailer), improvement teams, as well as other non-waste-oriented (e.g. production levelling, quick die changes, one-piece flow, flexible job assignments, removing non-value-added work). With this transplant, the corporate deinstitutionalization and certain job insecurity will begin.

- Kaizen Nissan (literally: good change in Japanese): This is an updated version of TPS, intensifying a flexible and agile model of joint production. It was driven by another Japanese car company (Nissan), which is distinguished in the 80s by expanding internationally and surpassing the American GM not only for its HR management but for being a pioneer in the production of fewer cars pollutants. Its model is based on the selection of agile workers and collaborators, even in a transversal way, combining workshop and office, at the same time, decisive and expeditious. One of its operational rules is 2x2: after detecting a problem in production, an interdisciplinary team called quality circles is formed, inspired by K. Ishikawa, who has two days to find the solution and implement it in the chain before two hours (Feuer et al 1988)
- Lean (it is a loan from Japanese, translated into English, and is usually understood as an agile and adjusted system): it refers to innovative production since the 90s, which not only does not worry about not wasting production as TPS focused It also integrates the agility of response from kaizen-Nissan, in addition to seeking to improve the customer experience, offering more suitable solutions: intuitive proposals, greater comfort, and others. The proposal was born in American business schools, with doctoral theses such as J. Krafcik's at Sloan-MIT (1988), then going on to consultants, like those of Womack (who stopped being a professor at MIT to found the Lean Enterprise Institute in 1997, and Lean Global Network in 2007). Thus, a business culture of improvement is promoted, adding to all of the above a vocation of heuristics based on challenges and the proactivity of collaborators, achieving greater motivation, in addition to perfecting and streamlining the value chain (Womack et al. 1990, 2003, 2014).

Thus began the rigid deinstitutionalization of typical WSE work, to move to another flexible DE, of collaborative and mobile workers (Zwick 2018). Such a transition has not been easy or pleasant, but rather problematic:

a) Due to cultural differences: Southeast Asia began its westernization

in the 19<sup>th</sup> c,, intensifying after the 2<sup>nd</sup> World War, but it is an unfinished process and in many ways only formal so that transplants can fail. Accordingly, as an example of cultural difference - and its difficult transfer to the rest of the West -, the case of Japan, where strikes have not only been of stoppages and pickets but also zeal and overproduction: by producing more, it subverts the Toyota system. Even another variant is flooding the market for free goods or services: from automobile overproduction and dairy products in the 1980s to recent cases in May 2018, such as the Okayama bus strike, which offered transportation without charge. Perhaps the most striking manifestations, which prove the problems of cultural transplants, are the *karoshi* cases - death by work: 200 cases a year, approx. (Frank 2014); *karojisatsu* -suicide by labour relations: about 2000 cases per year (Amagasa et al 2005); *hikikomori* - social isolation of young people who made telework: about 500,000 cases (Rosenthal et al 2012).

b) By those responsible for his transplant and its veils of confusion and by the request of mature organizations committed to change. With the cultural wars (1960-80), The New Left emerged at the university. Reference is made to the 4<sup>th</sup> International of Socialism or *Situationism*, such as the antiprotest movements, such as the hippies, which inspired the university revolts of the 1960s, especially in the United States (influenced by Marcuse, Adorno, Bloch, et al.) and France (e.g. Sartre, Derrida, Foucault). But the approaches of these authors were not very credible in economic terms, until they hybridized with the nationalizing visions of Keynes, highlighting such popular authors as Galbraith from Harvard<sup>5</sup>.

c) In addition to the spread of organizations as the Club of Rome since 1968, with the support of researchers from Harvard, MIT, and others. In this way, political demands for awareness and debureaucratization were mixed with the approaches of the WSE and the problems of quality of life, even population problems, growth, and its externalities, plus its impact on nature (Meadows et al 1972). The fact is that, as happened with the hippies, who later became yuppies, the New Left and its New Economy hybridized and needed their nemesis: New Liberals. Upon reaching power as a generation, social, ethnocultural, gender problems, and others increased, as well as the level of indebtedness that consumed the wealth of subsequent generations, in addition to the greatest devastation of the environment, postulating an eugenic new-maltusianism against climate change. Since the 80s, when the cultural transplantation of the models proposed to the rest of the West became general, due to the urgency of reconversion and not due to full conviction, it turns out that those in

<sup>&</sup>lt;sup>5</sup> Schumpeter (and his pupil Samuelson) had already been doing it, but it did not reach university students the same (Lindbeck 1971).

charge of this work were the *baby-boomers* and the X generation, already yuppies of direction. This extended accumulation of veils on flexible deinstitutionalization, which thus became precarious for the following generations (e.g. millennials tend to be contract for 1,000 euros/month, therefore they are so-called "*mileuristas*"/thousanders).

Flexibility, as a physical condition, is defined as what allows materials to deform under pressure (such as crises) without breaking and recovering later. But crisis after crisis and given the deinstitutionalization promoted, the new generations, despite their higher qualifications, enjoy fewer rights, having to know how to negotiate their labour benefits in each new professional experience (beyond the emotional salary). To the risk of rejection of cultural transplantation and its inadequate operation, as indicated, we must add the requirement of mature organizations: those focused, no longer on mere production and benefits, but people and sustainability, based on a model of happiness and wellbeing. Before to keep going, it is necessary a previous explanation: until the globalization, the psychological and psychiatric approaches in the human mind were in negativity way (e.g. the diagnosis of disorders such as those collected in DSM-APA and ICD-WHO); it was a New Yorker psychologist, Martin Seligman, who began a hermeneutical turn toward self-help and finally, the application of a truly positive approach: how to be happy in organizations. Seligman has been a Professor of Psychology at Cornell University and Univ. Pennsylvania (later director of the Department of Psychology). He used his contacts and publications (Seligman 2002 & 2011), to become President of the American Psychological Association-APA in 1998, using this platform to postulate the paradigm shift, from education to work.

In this balance, it is necessary to add the criticism expressed by the unexpected Cultural Studies, of neo and post-Marxist style, which are echoed by the Business Schools, and which postulate the following synthetic formula (on the HR development): In the 1960s, a uniform male paradigm dominated, of a competitive-developmental nature - growth at all costs. Its leading sector was the automobile sector, with large factories and offices, and aimed at the normalization of workers, usually from the area, selected for educational degrees and uniformed accordingly. After globalization, there has been a transition to a feminine multi-paradigm, collaborative-possibility, where companies are no longer valued for their production and properties, but their talent and transformative capacity. In this, the leading sector is technology (e.g. GAFA: Google, Apple, Facebook, Amazon), with diverse collaborators (in nationalities, ethnic groups, gender, among others.) and creative (with initiative and original approaches).

Table 2. Balance of labor relations: from hygienic measures (emerging organizations) to motivational (mature organizations)

organizations)					
a) Productivity and incentives					
(1910's):					
- Rewards and punishments;					
- Money moves the worker (bonus)					
b) An ergone	RL (1990):				
- Improve the environme					
climate (common areas);					
- Prevent accidents (prev					
plan)		CITCIOII			
piuii)	c) Up to quality (of l				
	- Improve p				
		rocesses an	a job		
		orker-family (health			
		d) Ethics and CSR (1950's -			
		alternative to WSE):			
		- Participate in decision			
		making & mission			
			- From image enhancement to		
		0-8:	,		
			e) Motivation	on &	
			- Care for a collaborator		itor
			- Promote healthy habits,		
		personal wellness			
	design	orker-family childcare) d) Ethics a alternative - Participat making & r	mily (health ) s and CSR (1950's - ive to WSE): pate in decision & mission mage enhancement to lthy  e) Motivation & happiness (1999 Seligman) - Care for a collabora as a client; positivity - Promote healthy ha		

Source: own-elaboration.

Consequently, the changes in HR approaches, from hierarchical and long-term rigidity to transverse and short-term flexibility (discussed in table 2), are before the exhaustion of WSE, with its bureaucracy and directionism, only that all of which is aggravated by the crises of globalization. Thus, a new paradigm for post-globalization is urgent and necessary. To know the current State of affairs, diagnosis and prognosis of labour relations are offered below in the framework of the gig phase of DE, introducing novel notions related to collaborators (e.g. knowmads, flexicurity, part-time jobs mix), and organizations (e.g. wellness & happiness model).

### Diagnosis & forecast in digital economy

As has been pointed out, the gig phase of DE brings together manifestations such as CCE, AE & OE. Its name comes from an American expression, related to artistic bowling: a professional offers services for a performance and, if the experience is enjoyed, it will be possible to repeat. Something similar works the gig economy: a professional must be on social networks and platforms, pending the call for his performance, which is valued and it depends on whether he continues to provide this service in his area, even in other places (Zwick 2018). Then what are the pros and cons of the economic phase gig?

- a) In favour: it allows ordinary people from all over the world to start businesses and participate in markets without intermediaries and respecting the environment by sharing, recycling, and renting, stopping the planned obsolescence and excessive waste. By this way, you are your own boss, managing your time and income; you know your talent and how to offer it to others; there is not much bureaucracy and directionism; the risk becomes an opportunity and an experience, which is also shared with others, generating collaborative intelligence, adding even more value to the work done (also being a first milestone on the road to the knowledge society).
- b) Against: the process to move to virtual world has some inconveniences, like the offices and camaraderie disappear, making it difficult to organize and defend labour rights. Since hardly any taxes or contributions are paid, there is almost no labour protection, disappearing paid vacations, unemployment or sickness benefits, retirement, among others.

As there is not so much control of the markets or the jobs, it is very difficult to control them by the public authorities. In this way, attempts are made to regulate against new initiatives, such as tourist apartments (e.g. Airbnb, Rentalia), transport vehicles with drivers (e.g. Uber, BlaBlaCar), second-hand bazaars (e.g. Wallapop, eBay, OpenBazaar), among others. And no longer because they escape its burden, but because of the lack of influence in its future, and restrictions, such as licenses, associations, among others cannot be established, which leads to violating the monopoly of the State of the social system (Schor 2016). Citizens no longer need public powers and their notaries for the provision and validation of goods and services, but rather it is the communities of individuals who do it, with resources such as scores, comments and, rankings, as well as technology blockchain, operational in the wake of the 2008 crisis. Indeed, that the trend of social networks, platforms, and applications on which the gig economy is based has been one of concentration, as has already happened

with the main multinationals in the WSE, but the great difference is the influence of creative destruction with great changes in a short time, a constant heuristic and technological renewal, among others., so that the leaders of the sector, as well as the sectors themselves, are periodically renewed. As an example, the music industry –to continue with the allusion to bowling–, which was reduced to four large conglomerates, giving rise to relationships of elephants and ants (that is, large companies and each of the professionals), but that is seen subjected to constant creative destruction thanks to technology.

The phase gig ends a good part of the bureaucracy and the directionism, restoring a certain autonomy to the collaborator - who is no longer a dependent worker or labour force; Of course, it increases risk and uncertainty, in addition to requiring agility, adaptability and talent (both in the own differential value, as well as in that contributed to the employment relationship). When it comes to HR, the gig economy is affecting above all two types of professionals, at opposite poles: knowmads (highly qualified) and free riders (low qualified).

- a) Knowmads (know+nomads = knowledge nomads: doctors, lawyers, professors, engineers, designers, among others): they are highly qualified knowledge professionals, open to mobility. As an example, the case of collaborators in holocratic startups or companies (self-managed or without a boss) How to hire the best and then tell them what they have to do, slowing everything down with supervisory barriers? From pioneers as Zappos (shoe company) or Gore (gore-tex clothing), through DaVita (health services), to Valve (video games), Netflix (audiovisual entertainment), Rastreator (search engines and service comparators) or Ternary Software (computer services), and needless to say in sectors renewed by creative destruction, FinTech type. In these companies, everyone can propose and take on projects, without fixed positions or roles, but rather in a hierarchical way (beyond the traditional cooperatives). Thus, it is charged according to participation and results, in addition to demonstrations such as telework from anywhere, the mobile being the office; flexicurity being qualified collaborators, they know their rights and can afford to give up the employment relationship (that is their security). Consequently, the conditions are open to negotiation; part-time job mix, when collaborating in startups to ensure turnover (not salary), vou must have a basket of collaborations. Even, the inversion of perception is recommended, starting to consider employers as clients, so that the psychosocial stigma of dismissal disappears, and it is only about looking for another new way of financing (Moravec 2013).
- b) Free riders, are lone riders, offering services with little administrative control. In HR, it refers to low-skilled operators, forced to

move (e.g. delivery men, replenishers, security guards). One of the most illustrative cases is that of Deliveroo or Glovo distributors. In both companies, there is an open and flexible hiring system, but full of risks and hidden costs: people in an irregular situation can start working immediately<sup>6</sup>. Of course, almost without coverage and having to register several distributors under the same account, to ensure compliance with deliveries and their frequency, to remain visible in the service distribution rankings. As a correction to these elephants, alternatives such as *La Pájara*, or specialized distribution ants are emerging (e.g. for consultancies, offices).

As a result of the balance made, the expiration and paradigmatic change in economics, business, labour, and HR, among others, in the tertiary sector (in the transition to the quaternary), with constant corrections to improve during the current post-globalization, are verified. For this reason, both the diagnosis and the prognosis are less clear than is desirable, since the rigid WSE model and the flexible DE still have to coexist, giving rise to diverse levels of precariousness. What is clear is that WSE is increasingly reduced in importance, with its bureaucratic labour relations and directed dependent employees, exposed to a greater precariousness for not taking the risk of discovering their talent, cultivating it, and offering it to others. Besides, the precariousness that is being talked about is surely not attributable to the fourth industrial revolution and its digital transformation, which destroys so many jobs, as new creates - as it already happened in the other industrial revolutions, but to the bad practice of baby-boomers and gen x at various levels:

- a) Economic: despite being the most benefited from WSE, they have led to its collapse having consumed more wealth than generated, spending that of the following generations by debt;
- b) Business: they have promoted the deinstitutionalization of companies, from the relocation and dumping of labour –corrected with the digital transformation- to the intensification of precarious work figures, internships -as instead of the internship and apprenticeship contract -, so there is no longer a common project or sustainability, but each one has their own hidden agenda, jumping from project to project (Pérez-Huertas et al 2013);

<sup>&</sup>lt;sup>6</sup> Anyone who has a good or service that is not required at the time (e.g. room, car, telephone minutes), can make it available to others, winning all, except the State, since it is more difficult to control. Even irregular immigrants can participate, only, unfortunately, their availability is reduced - temporarily - to the condition of free-riders, since that of knowmads requires the draw of administrative obstacles (Navajas et al 2016).

c) Human Resources: at the same time as there has been superregulation, the fraud of the law has intensified, so that new workers have been hired below their qualification, imposing abusive conditions, under a false promise of Future improvement and that others will come who will bear the overload. Due to the deinstitutionalization, there are no longer job careers to use, occupying a multitasking position as appropriate, since the management is no longer reached by internal promotion, but via talenthunting. In short, it is the end of WSE and its HR. The gig economy is only one more phase, with errors to correct if you want to achieve the knowledge society; the reason why it is recommendable as soon as possible to learn what the new paradigms are and how to operate on them.

### **Conclusions**

The changes announced at the beginning of this text are increasingly manifested in reality: the crisis of values of 2018, now followed by the coronavirus crisis (COVID-19) and the great lockdown and confinement, among others, highlight the emergency to review and reformulate the paradigms and models: there are more and more problems outside of them, and those few that can be recognized and managed are minimal, although in a deficient way. The failed economic-social policies (health, labour, among others) of WSE in many of the countries of the European Union (especially the Mediterranean block) serve as a concrete example, compared to the chaebols models oriented to the DE of tigers Asians (e.g. Singapore, South Korea, Taiwan). Even these require revision, as they respond to alternative models of the 1960s.

Concerning changes in labor relations and business organization, it has offered here a critical synthesis of its development in the rigid, bureaucratic and directed framework of WSE, paying special attention to its HR model, given the emergence of the talent paradigm and the stimulation of happiness management for post-globalization. Throughout the text, key ideas have been planted, the obsolescence of HR due to the fulfilment of objectives and cycle; the balance of the changes from WSE to DE, both economic-social, as well as business, from the conglomerates of the automobile sector to the virtual GAFA, as well as of HR, of the management and bureaucratic model of titled employees, replicated to the model of happiness for talented and motivated collaborators; diagnosis and prognosis in the face of the gig economy, with two affected and polarized profiles (knowmads & free riders), among others. It also affects creative destruction itself, as well as the emergence of talent: every mature organization requires talented collaborators, starting with those who must manage said talent. Today, an officer in cultural management and talent development is critical for an organization, because as a coach: this person knows pretty well the team, helping in the personal and professional growth of everyone, to "go out to win". Also, the cultural management, it is not just about measures on organization climate, it is about to promote a participatory and inclusive organizational culture (e.g redefining and making accessible the mission, vision, and values of the company, the internal regulations of the company, conflict resolution and its prevention). Then, an officer of cultural management and talent development must be empathetic and pragmatic at the same time; also, the officer must follow the 80/20 rule: most of the time supporting collaborators, and as little as possible dedicated to paperwork and redtape.

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