ETHICAL HRM IN THE ERA OF DIGITALIZATION- KEY CHALLENGES IN THE EVOLVING ROLES OF HRM

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Abstract: Challenges in ethical HRM practises are emerging due to the introduction of new technologies like automation, artificial intelligence, machine learning, Big Data, robotics and etc. HRM has transformed due to digital technologies like artificial intelligence which has the threat of leading to inequality. It is essential to discuss ethical HRM in the current era of digitalisation, because the HRM process itself has become data-based and digitalised which uses employee data for key processes like recruitment, selection, appraisal etc. This research will explore: what are the challenges presented to HRM to stay ethical in the era of digitalisation and how they can be overcome? There five identified findings, including the negative impact on the well-being of employees, the threat to autonomy and fairness, the threat to data protection and data privacy issues, ethical issues in gig economy and a lack of human touch and resistance from employees. Ethical issue of bias and discrimination might arise from the algorithms used in digital HRM tools and there is threat for data privacy and need for protecting sensitive employee data. Digital era business model, gig economy and its workers face many unethical issues which can be eliminated mainly by adherence to regulations and rules laid down by governments.
Keywords: HRM; Ethics; Digitalisation; AI

1 INTRODUCTION

Traditionally, Human Resource Management (HRM) and ethics focus on the moral treatment of workers or employees and a firm's stakeholders. Ethical HRM was perceived to be based on rights theory where the fundamental rights of stakeholders like liberty to negotiate or freedom of association, right for safety and appropriate salary, collective bargaining, equality in workplace and etc. Ethical HRM is not just about planning and acting in the welfare and interests of the organisation's employees and furthering their development and welfare, but also in engaging them in decision-making related to their needs and interests [1]. As stated by the authors, ethical HRM traditionally was about protecting the interests of the stakeholders. In the era of modern technologies and rapid digitalisation, HRM is practised based on 3Ds, namely, "distancing, depersonalising and dissembling". It has evolved to address the moral requirements of the organisation and its business [2]. It is essential to discuss ethical HRM in the current era of digitalisation, because the HRM process itself has become data-based and digitalised which uses employee data for key processes like recruitment, selection, appraisal etc. Ethics and HRM in a modern day highly digitalised organisation might face challenges related to ethical concerns [3]. Ethical HRM in modern day business environment has become a challenge as new types of work cultures have evolved such as remote working especially after Covid-19 pandemic.

This research will discuss the following research question: What are the challenges presented to HRM to stay ethical in the era of digitalisation and how they can be overcome?

Literatures from academic and research journals and real-time examples will be presented to discuss the topic. Significance of this research question is based on the current advancements in digital technologies and advent of remote working after the occurrence of Covid-19 pandemic.

The digitalisation of HRM processes is about implementing and utilising information technologies, AI, data technologies and etc. for speeding up and effective HRM processes, be more productive and reduce cost [4]. The digitalisation of HRM processes is used more effectively in recruitment process, training and development, appraisal, performance evaluation etc. For instance, Unilever has developed digitalised HRM process for recruiting employees which uses AI technology and has a digital platform providing training and development for its employees [5].

It has become important to discuss the challenges in ethical HRM practises because of the introduction of new technologies like automation, artificial intelligence, machine learning, Big Data, robotics and etc. These digitalisation technologies have ensured innovation, effective resource utilisation in HRM for better performance [6]. Varma et al. [7] also highlighted the need for analysing modern day HRM from ethical perspective as HRM has transformed due to digital technologies like artificial intelligence which has the threat of leading to inequality and there is a challenge for monitoring equality and fairness in HRM processes that are aided by artificial intelligence technologies. In modern day HRM practises, ethical and moral practises are questioned because many companies engage in surveillance of their employees using "bossware" which is also of ethical concern [8]. HRM in a virtual work environment and related ethical issues related to technology, people and culture must be analysed [9].

2 LITERATURE REVIEW ON THE DIGITALISATION OF HRM

The digitalisation of HRM became imperatively essential as information technologies rapidly transformed the way business was conducted and such technologies were also introduced into HRM. The digitalisation of HRM transformed the processes in HR management, its function and structure of HR departments and HR managers' activities. The digitalisation of HRM has provided the advantage of reducing HRM cost as use of technologies have reduced the need for more HRM personnel to manage employees. It helps organisations to respond quickly during challenges like pandemics. It can also provide more flexible and adaptive work cultures like remote working facilities to employees and ensure productivity and efficiency in HRM processes, as it can make use of employee data for data-based decision making, automate routine processes like data management, recruitment, remuneration system etc. The digitalisation of HRM processes is being practiced in the form of e-recruitment which involves online advertisement, pre-screening, application submission and processing and on-boarding of new recruitments etc [10]. It helps in access to information on time, tracking the applicants, e- payroll system, and e-performance management which includes turn-over report, score card, performance appraisal etc. It also provides e-training which includes skills inventory, training and skill development interventions, e-modules etc.

The digitalisation of HRM can save costs, as it can handle and manage employees of a global firm more efficiently [11-12]. Digitalisation enhances the efficiency of HRM personnel as it provides appropriate data for them to analyse resumes, select candidates based on data. The digitalisation of HRM lowers the interference in recruitment, selection or appraisal process by bureaucracy or favouritism. Digitalisation has allowed employees to feel connected with their company and has formed new channels of communication and interaction with the firm. Further, employees stay motivated as their performance is digitally monitored and they enhance their performance in projects they are involved. More importantly, the digitalisation of HRM has its advantage of simplifying HRM processes and making it faster. For instance, KPMG Belgium has implemented digital HRM process for employee on- boarding especially for young employees who are fresh to a job. This digital process of on-boarding sends practical and company related information on the first day of their job and contact details in their departments and HR. Employees expressed 4.45/5 score for digital hiring and on-boarding process. Similarly, UK's Anchor Group which is an NGO, has digitalised recruitment process and has developed a Chatbot in Facebook Messenger where they interact directly with the candidates. This has reduced the cost of recruitment by 65% and average candidates who apply to Anchor Group increased by 82% [13].

Prokopenko et al. [14] discussed the advantages and disadvantages of the digitization of HRM and how it impacts positively and negatively on personnel management. The authors analysed digitised HRM processes like applicant tracking system, online on-boarding, learning management system, social media platforms, performance management system, employee engagement system, HR analytics tools etc. The key advantages of digitalisation of HRM processes are time-saving, efficiency in management, wide reach of communication, cost-effectiveness, appropriate talent acquisition, scalability of training modules, skill development and exceptional training and learning experience for employees, data-driven performance assessment, enhanced and progressive work culture and rapid feedback for performance enhancement and strategic planning and predictive analysis of human resource management as shown in below Figure 1. Likewise, the authors listed out the disadvantages of digitalisation of HRM processes and they state that digitalisation might lead to possible discrimination and bias towards candidates and bias due to program algorithm. There will be over-reliance on technology for management of resources. There might be skill gap and time-consuming training and new skill development to work on new HR technologies. Employees may have scepticism over the HR tools used. This might even develop resistance among employees. Key challenges are digital fatigue, threat to data privacy, and technology integration issues.

The negative consequences of digitalisation of HRM might lead to ethical issues like data security or data leak of sensitive employee information [11]. It was found that employee's privacy might be impacted [15]. The digitalisation of HRM and the automation of process might lead to improper assessment of employees due to faulty algorithms [11]. Digitalisation involves high cost on software licences and cost on training employees. There might be lack of suitable skills to work on latest HRM software. The disadvantages of HRM digitalisation like high cost, threat of cyber-attack and data in-security might lead to employee confidentiality violation [16]. Digitalisation has lessened personal interaction among employees which might impact their team work or mental health or engagement with the firm [17].

3 CHALLENGES FOR ETHICAL HRM IN THE ERA OF DIGITALISATION

3.1 Negative Impact on the Well-being of Employees

The digitalisation of HRM has both positive and negative impact on the psychological and physical well-being of employees [12]. Employees have stated that while digitalisation of HRM has allowed convenience of remote working, flexible timing, effective communication etc., it has also impacted their health due to long hours of physical inactivity, psychological fear of being monitored, loss of data, cyber-attack etc. It can be inferred that employees have recognised the advantages of digitalisation of HRM and also the negative impacts on them personally due to digitalisation of HRM process. For instance, in Amazon, the digitalisation of HRM has allowed the management to constantly monitor their employees using surveillance system which has created paranoia among employees. While such digital HRM technologies to monitor help organisations to enhance employee productivity, ensure adherence or compliance with standards and ensure safe and secure work environment, it breaches the basic human rights of employees [18].

Self-determination theory will be appropriate to explain the ethical impact of the digitalisation of HRM. Self-determination theory proposed motivation of human being which determines their well-being. As per self-determination

theory, well-being of individuals emerges if they are able to satisfy their psychological needs, including 'need for competency, need for autonomy and need for social relatedness' [19]. Based on this theory, it can be stated that digitalisation of HRM will satisfy their needs for flexible work timing and place, which can enhance their competency and also provide work-life balance and allow them to transform their capability to be effective and competitive. But on the other hand, it might hamper their efficiency by putting more pressure on the employees regarding constant skill development, extended work timing, and the threat of possibility of being replaced. As per self- determination theory, the digitalisation of HRM has both positive and negative aspects on employees. It is critical to consider and address the negative impact on the staff well-being.

3.2 Threat to Autonomy and Fairness

The digitalisation in HRM process of talent acquisition has triggered ethical issues related to autonomy of employees, utility, and fairness [20]. Those emerging technologies in HRM has pressurised values like the privacy of employee data, autonomy, and balance of power [21]. Technologies in HRM has created tension between the benefits of using digital technologies in HRM and autonomy, because transparency of employees in making autonomous choices or decision making and control over the HRM process is lessened due to digitalisation. There is an ethical threat of instrumentalising employees which might result in dehumanisation and lack of social experiences and competences. For instance, employees might lose their autonomy when the organisation uses tools to track their activities and interactions on social media. People analytics which is digitalised HRM process to manage and control employees or workforce might help managers and employees to be knowledge intensive, adaptive, collaborate data to make decisions and be autonomous [22]. But in reality, digitalisation of HRM curtails autonomy of employees and employees lose their individuality and function without interaction with other fellow employees and less interaction with teams and collaborative activities [23]. Employees autonomy and cognitive learning becomes questionable as decision-making is replaced by technology.

Autonomy indicates 'the feeling of choice and concurrence with one's actions' (p. 2) [24]. In a work environment, autonomy will refer to 'the degree to which a job provides discretion over daily work decisions, such as when and how to do tasks' (p. 664) [25]. Based on rights-based ethical theory, basic human rights of employees must be honoured and one party must not over-power the other to cause dissatisfaction [1]. In the case of the digitalisation of HRM, threat to autonomy of employees to execute their decision without over involvement of a digital system can be seen as a threat to rights of individuals. Rights-based theory will also explain any threat to privacy, data theft, issue in data confidentiality etc [26]. The digitalisation of HRM will have positive impact on autonomy of employees and their performance by providing knowledge [27]. On the other hand, digitalisation technology in present era is also used for monitoring the employees [28-29]. Such surveillance impacts and decrease employees' autonomy of working freely and causes stress on them. Digitalisation has also elevated managerial control by emphasising adherence to work routines and procedures which again brings down employee autonomy. As employees are closely monitored and experience managerial control, their autonomy is impacted [30].

Ethical issues of unfairness might also emerge due to digitalization [20]. For instance, the use of new forms of user-interfaces on digital HRM platforms might be challenging for the candidate who is not familiar or unexperienced. While there are solutions to handle fairness through digital technologies and algorithms and software like HireVue to reduce bias and ensure fairness and diversity, unfair discrimination or unfair competition, unfair advantage to those who apply for a job through certain channels, unfair advantage to people who are familiar to digital HRM tools even though that technical skill is not needed for the job. Moreover, digital HRM tools like chatbots might also cause ethical issue of giving tension or poor experience or unpleasant interaction for candidates.

The use of technologies like AI in HRM is not unethical per se but such digital technologies like AI will rise ethical issues in autonomy, validity, privacy, discrimination and transparency [31]. The digitalisation of HRM might attract ethical issues such as the lack of social intelligence or empathy in the system, over-dependence on HRM system for decision-making which minimises autonomy and increases dehumanisation of processes in HRM, possibility of discrimination and bias due to the algorithms, lack of total data protection etc.

3.2.1 Algorithmic HRM and ethical issues

Algorithm in digital technologies like AI in HRM has been considered to increase fairness, transparency, and objectivity in HRM decision-making process [32]. But the ethical question of who will take responsibility for mistakes or failures increases the opacity of digitalisation of HRM because it paves way to asymmetry in information gathered, imbalanced power structures in the organisation and develop negative perception about the organisation's procedure and fairness in treating employees. More often miscalculations and poor interpretation of employee performance data will raise ethical questions [33]. As a waterfall effect, if employees perceive that the digitalised HRM and its algorithm treats them unfairly, they will also engage in unfair attitude and behaviour [34]. Further, digitalisation of HRM might make employees to feel powerless and legal uncertainty and incapacitated by digital technologies in HR management [35]. More importantly, considering employees as "quantifiable data objects" for HR management processes and not as social being is highly unethical [33].

Aalgorithmic HRM is increasingly being implemented in digitalised HRM activities like HR development and HR selection process [36]. It is an automated and data-based decision-making system. It is advantageous in identifying unrecognised talents within the organisation and also from outside. Many companies like SAP, Google, Microsoft etc. use AI supported with algorithm for HR processes. Algorithmic HR process has the threat of being unfair and

discrimination. Discrimination is explained as "unequal treatment" based on various factors [37]. If algorithmic HR system is fed with improper information or dataset, it might cause discrimination in selection process and biased decisions [38]. For instance, unfair and biased decision was taken by digitalised and AI-supported HRM system of Amazon. Amazon's HR system tracked performance of employees constantly and the algorithm of the HR system automatically fired employees [39]. This is an unethical HR decision which involved unfair treatment of employees by Amazon.

Digital HRM technologies and their algorithms might lead to discrimination towards specific racial groups and this is ethically debatable [40]. Opaque or unclear algorithms might exclude certain candidates which might be unethical. For example, Black employees in Facebook have brought racial discrimination in the global social media firm in many HRM practices like performance evaluation, remuneration and promotions [41]. Technologies like AI in HRM would be rigged and programmed to benefit certain groups or individuals which is gain highly unethical [7]. On the other hand, digitalisation will eliminate discrimination and will ensure that the HRM system adheres to HR regulations in providing minimal wages, employee safety, employee rights, health benefits etc [42]. The author also highlights the use of virtual reality technology in HR recruitment process which will help in minimising bias and extends opportunities to disadvantaged candidates. For instance, Jet.com and Deutsche Bahn use virtual reality technology in HRM for giving the candidates a view about the company and insight into their job role. Such technologies develop positive perception among the candidates about the company.

Algorithm-based decision-making in organisations for HRM is considered to reduce cost, minimise risks, enhance productivity. For instance, Deloitte has implemented algorithm-based HRM decision-making system which manages and evaluate every application based on certain requirements for every job and it is stated to aid in fair and unbiased decision-making in HRM [43]. But if the digital technologies like AI or machine learning are fed with inaccurate, biased, and unrepresentative datasets, it might give out biased suggestions to HR managers. An example for bias from digitalised HRM is of Amazon. Amazon's HRM system was biased and discriminatory towards female applicants and after criticisms Amazon erased the algorithm in hiring process [36].

The bias and discrimination caused due to algorithm in digital technologies like AI or Big Data and data analytics can be explained using Statistical Discrimination theory. Statistical discrimination theory is about "prejudice from assessment criteria that generalize group characteristics to individuals" (p. 2) [44]. The bias or prejudice might emerge due to the analysis technique used by the firm or constraints in financial resources or asymmetry between the job seekers and the employer. In a digitalised HRM environment which uses AI might make use of dataset which will result in discrimination in hiring based on race or gender etc.

Based on Kantian deontological ethical theory, individuals have to be judged or evaluated based on their actions and performance. Subjugating employees to the digital technologies and their algorithm can be considered to be unethical and undignified [7]. When digitalisation of HRM results in bias or discrimination, the ethics of the firm and their moral values become questionable. Further, based on Rawlsian Justice theory, fairness and equality are important in digitalisation technologies like Big Data and AI. This ethical theory proposes consideration for less-privileged groups of people. Thus, digitalisation of HRM has to ensure that it utilises data to eliminate social inequality in workplace [45].

Algorithm-based HRM is said to impact personal integrity of employees where personal integrity refers to consistency in their words and reflection in their work [46]. The authors argue that algorithm-based digitalised HRM will alter the balance between integrity of employees and compliance and it will make them blindly adhere and trust the rules and processes fed in the digital HRM system. This will marginalise the employees' sense-making or creative thinking in critical decision-making situations. This is because there is lack of moral or creative dimensions in algorithms which might crowd-out integrity of employees and will adapt to just compliance with processes. There are many companies like Xerox, JP Morgan, IBM, SAS etc. who have benefitted from algorithm-based HRM. But, Uber's algorithm-based HRM has increased the imbalance among the drivers and management in sharing information and this has decreased the control over decision-making for the Uber drivers [47]. This has increased pessimistic feelings among the drivers and mistrust over the company. A case study on drivers of Ubers showed that algorithm-based digitalised HRM has decreased autonomy of Uber drivers in decision-making and they have shown resistance to such algorithms [48].

3.3 Threat to Data Protection and Data Privacy Issues

Digital technologies like AI and social media platforms have allowed firms to monitor on and off-duty communication of their employees [49]. AI can be used to perform wide swipe of multiple channels like social media to penetrate into their posts, likes and shares. While such intrusions might help in mitigating racist post or comments or conduct or harassment in workplaces and monitor sharing of sensitive and priceless business data by employee to competitors etc., but still, it shows intrusion into the privacy of employees. The digitalisation of HRM which paved way for flexible remote working environment for organisation eroded the boundaries between work and life [50]. While managers perceived that remote working employees are not under supervision, they tried electronic surveillance and monitoring of employee's activities. This is a serious ethical and legal issue, because such electronic surveillance can take screenshot of employee laptop, activate their cameras and record what they employee types on his laptop and also record their audio and visuals which is highly unethical. The digitalisation of HRM poses the challenge of maintaining confidentiality of employee data and in retaining workforce [51].

Breach of data related to employees and not protecting sensitive data of employees by firms will attract legal law suits. For instance, Barbara Dittman sued UMPC for not protecting 62,000 employees' data which was stolen from the servers

of UMPC [52]. As per Rights-based ethics theory, employees have the right to have their data protected in a digitalised environment and also have control over their personal and transaction data [45].

Technologies like AI, facial recognition, data mining, data analytics, automation etc. have redefined relationship among employees and the organisation [53]. It has to be noted that digital HRM operates based on the data of employees. So there raised an ethical question of how employee data is gathered and how it is used for enhancing performance and efficiency. An ethical doubt of who is responsible for the organisation's and its HRM's ethical decision raises. There is a doubt whether the outsourced partners who develop the HRM software or third-party HRM tool developer is responsible for data safety or the organisation. In a recent incident in 2022 in India, myrocket.co, a HR management company exposed thousands of candidates' personal information and sensitive data like payslips, tax filings, addresses etc. were leaked. This is an ethical challenge in digitalisation of HRM [54]. Similarly, US based company, Sequoia, disclosed unauthorised breach into their cloud data repository and huge data related to employees' and candidates' personal and sensitive information including social security number were taken by cyber-attack [55].

Companies like myrocket or Sequioa are third-parties which handle employee data and job information of many companies. This is where the issue of unethical data handling and lack of data protection becomes a challenge. Thus, ethical challenges like this demands compliance with data regulations in digitalised HRM systems. In EU, companies have to adhere to General Data Protection Regulation to ensure ethical use of employee or stakeholder or business data, maintain privacy, ensure transparency in use of data [40]. The introduction of AI in HRM has the challenge of ethical and regulatory concerns [56].

Organisations need to comply with regulations and monitor data protection, ensure data privacy, transparency, bias, or discrimination in algorithms. Organisations have to ensure ethical HRM processes by complying with ethical digital technology guidelines and implement best practices in using AI for HRM [57]. However, AI based HRM tools have increased stress on employees due to constant monitoring and evaluation and possibility of ethical issue of data privacy and biased or unfairness in recruitment or selection or appraisal due to algorithms [58].

3.4 Ethical Issues in Gig Economy

Digital technologies have brought in changes in traditional work culture and has transformed it into digital work framework which has in turn altered the relationship between employees and organisations [59]. Digitalisation of HRM has also aided in emergence of virtual work environment and gig economy [60]. Gig economy broadly refer to online platforms which provide flexible jobs like that of Uber, Deliveroo, TaskRabbit etc. [61]. Gig economy has paved way for redefining new work nature for contemporary economic conditions [62]. But it has certain ethical issues in managing the workforce. There are three kinds of ethical issues in gig economy HRM, including algorithmic control and managerial oversight; exploitative, precarious and dangerous labour; misclassification and discriminatory effects.

Gig economy are based on digital platforms relying on reputation system where the workers are given scores or ratings by customers, while these scores are used to monitor them and evaluate their quality of work and allocate further works [62]. This kind of system might lead to unequal job distribution. The digital platforms developed by third-parties are managed using algorithms which determines the quality of work of the gig economy workers. This indicates algorithmic control over the workers and exert pressure on them by constant monitoring and tracking of work. Another ethical issue noticed in gig economy HRM is the nature of work offered. Most often gig economy offers precarious or flexible and menial jobs which results in exploitation of gig economy workers. Misclassification of such employees happen and they are seen as "non- employees" and they have weak power and legal protection in the system. Gig economy has positively contribute to new kind of job generation with job flexibility [63]. Especially during and after the pandemic larger segment of people opted for gig works like food delivery, ride-sharing etc. to supplement income loss or job loss. Gig economy firms that have investors as ownerships tend to be more profit oriented and are exploitative of their employees, while collaborative model of business in gig economy are more equitable and promises quality work relations and HR practises [64].

Even though precarious work is not new to the market, gig economy which has seasonal, casual, or contract-based agreements, may face certain ethical issues. As the gig economy is highly based on scoring system, precarity of the job may become uncertain or precarious and commodification of labour is also possible. As they are seen as "human-as-service" and "just-in-time workforce," ethically the HRM system does not manage them equal to permanent workers [65]. Further, gig economy tends to deconstruct huge projects into smaller ones which can be catered by low-skilled workers for lower wages. For instance, Mechanical Turk splits large works like translation of books into small works to thousands of workers for low cost. This indicates exploitation of gig economy workers [66]. The next ethical debate in gig economy and its HRM is about the new status of such workers and how to differentiate such independent contractors from employees. Because of its precarity, gig economy workers are discriminated with low salary and low power and legal protection and regulatory ambiguity is also an ethical issue in HRM of gig economy. For instance, Uber consciously avoids social, legal, and ethical responsibilities as an employer [62]. In another incident, Uber faced legal lawsuit filed against its drivers in its gig economy business model. Unethically Uber considered its drivers as self-employed individuals who utilise their online platform or app and they tried to shed off their responsibilities and compliance with labour regulations and commitment to ensure their well-being, wages, and protection. But the court pronounced and instructed Uber to treat their drivers as their employees and not as self-employed individuals who associate with Uber for job opportunities and Uber drivers are entitled to have labour rights like minimum wages, paid leave etc. [67]. This indicates that digitalisation of HRM in contemporary business models like gig economy might lead

to unethical treatment of employees and neglect their basic labour rights. Even though gig economy has many positive impacts on the society and people's income, it has ethical challenges like marginalisation, commodification of workers, precarity and misclassification and exploitation of gig workers.

3.5 Lack of Human Touch and Resistance from Employees

Another ethical issue in digitalisation of HRM process is lack of human interaction and touch in the process. Digitalisation of HRM results in less human-to-human interaction and creates passive and impersonal space in the organisation and leads to gap between the employee and the firm [68].

HRM is founded on the concept of human interaction with employees but in the modern day digitalised HRM apps and online platforms play the role of "HR supervisors or managers" [69]. In traditional HRM, there was social and personal exchange of emotions, feelings and affect. Replacing humans with digital technologies will erase personal interaction and related emotions like empathy, trust etc. and will have negative impact on employees on a long-term basis.

Ethical and social risks of digitalisation of HRM are analysed and listed the challenges like structural changes in overall labour market, changes in skill demand, educational qualifications, possibility of "digital inequality" which might be a new form of discrimination, changing boundaries in privacy issues like allowing monitoring and tracking of employees' activities, their responsibilities etc [70]. The use of technologies like AI or big data or machine learning etc. have widened skills gap in the industry, because a) the digitalisation of HR activities like automation demands new skill sets to work in new platforms and b) there existing skills and capabilities like formal training or degrees are losing their value [71].

It has to be accepted that the 'new normal' which is remote or virtual working and related HRM delivers communications to employees without any emotions or empathy through digital channels like Whatsapp or Zoom [72].

The digitalisation of HRM system has attracted resistance from employees [73]. Even though during Covid-10 pandemic lockdowns and remote working, employees did not have any other choices but to adapt to digital HRM. They have the mindset of resisting new processes that might be introduced through digital and algorithm-driven HRM.

4 DISCUSSION

Based on Self-determination theory, well-being of employees has to be protected in a digitalised HRM environment. The digitalisation of HRM can eliminate ethical issues by developing clear strategy for designing the algorithm for the HR tools which will be unbiased and fair [14]. While using AI for HR processes, the organisation must ensure authenticity of data about employees or jobs which will determine the datasets based on which algorithm will be developed [74]. If the algorithm is not authentic, it might lead to unethical issues like bias and discrimination. Rights-based theory states the need for upholding employees' rights in protecting their data.

The democratisation of data and being transparent in handling data and in sharing information with employees will also ensure ethical practises in HRM. It is important for HR professionals to gain competence and skills in operating digital and data-based technologies in their daily work, because it will allow them to achieve the objective and goals of the organization, support employees to develop their performance and ensure ethical practises and in maintaining positive work culture [75]. As indicated by statistical discrimination theory, it is essential to ensure non-bias or no-discrimination based on faulty or biased algorithm or data analysis.

Future research can focus on developing ethical operations in digitalised HRM processes, it is essential to adhere to regulations and rules laid down by governments. While using digital technologies like Big Data or AI which handle sensitive data related to employees, it is important to follow regulations like "General Data Protection Regulation" in EU nations. HR Analytics activities need to protect the privacy of employees and protect their information as per this regulation [76]. Data integrity is a key ethical issue in digitalisation of HRM and use of data-driven technologies will pose threat of data leakage or data loss of sensitive and personal information of employees of an organisation and this ethical issue must be controlled by adhering to data regulations like POPIA (Protection of Personal Information Act) as in South Africa which will ensure information privacy and protection [77].

Future research can suggest organisations to develop clear ethical HR policies and guidelines for their digital operations and develop ethical charter and align it with the social norms of the nation in which operates because each country will have its own regulations and preferences in the way data is collected and protected. HR managers must develop and adhere to professional standards and follow ethical guidelines. Practical implications of this research suggest organisations to ensure ethical practices in HRM by maintaining data classification and inventory about the data types used in HR technological tools [78]. It is critical to compliant with regulations like GDPR and HIPPA (Health Insurance Portability and Accountability Act) to ensure ethical data collection and usage involving consent of employees and reporting of data breach. In the era of gig economy, in order to ensure ethical HRM practices, countries like UK have implemented National Minimum wages, statutory holiday, protection from discrimination etc. [79]. Existing acts like ERA (Employees Rights Act of 1996) is one of the regulations which organisations which have implemented digital HRM need to follow as it will ensure ethical HR practises like minimum wage provision to employees, unbiased and non-discriminatory HR processes like recruitment, selection, appraisal etc. and also give them the right to form union. Similarly, compliance with regulations like Equality Act 2020 will empower employees and also organisations to ensure ethical protection of labour rights, equal opportunity for employees without discrimination and bias [80].

Likewise, regulations like Data Protection Act of 1998 in UK have to be adhered which will prevent organisation to monitor or engage in digital surveillance of their employees which will prevent unethical HR practices [81].

5 CONCLUSION

New technologies and data-driven tools have transformed traditional human resource management and the current digital era has digitalised human resource management systems. Digitalised human resource management systems have proved to have positive impact on organisations like reducing cost and time, improving efficiency, eliminating bias etc. But on the other hand, digitalisation of human resource management has many ethical issues. It has impacted the well-being of employees as digital technologies might constantly monitor them resulting in psychological fear of being monitored, long working hours etc. Ethical issue of bias and discrimination might arise from the algorithms used in digital HRM tools and there is threat for data privacy and need for protecting sensitive employee data.

More importantly, digital era business model, gig economy and its workers face many unethical issues which can be eliminated mainly by adherence to regulations and rules laid down by governments. This research essay has presented and highlighted the ethical issues in digitalised HRM and how they can be overcome.

COMPETING INTERESTS

The authors have no relevant financial or non-financial interests to disclose.

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