

# LABOUR RELATIONS DEVELOPMENT UNTIL THE DIGITAL TRANSITION: FROM FRAGILE HUMAN RESOURCES TO AGILE TALENT-COLLABORATORS & THE COMPLIANCE RESISTANCE

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## ABSTRACT

*This article aims to be a phenomenological critical review, according to Institutional Law & Economics, with comparative and qualitative techniques, about the labour relations development into the welfare state economy and the changes and challenges in the digital economy. There is a diagnosis, with attention to ethical, compliance and lean issues, in the process to move from a model of human resources in bureaucratic corporations to a talent development in agile organizations. Also, it is offered a profile of the new kind of collaborators in digital era.*

**Keywords:** Labor Relations, Digital Economy, Human Resources, Talent-Collaborators, Law & Economics.

## INTRODUCTION

Social changes have been intensified in the globalization, in the whole social spheres: Law, Policy & Economy (Valero & Sánchez-Bayón, 2018). The World is moving from a controlled period of rigidity (World in squares) to other new, more flexible and opens (World in circles). The World in squares (based in the belief of security and scarcity), refers to the period dominated by the 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), it 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 post-globalization. The post-globalization is the trial period of global convergence (Horizon 2030), for people to align themselves in the project of achieving the desired knowledge society and its corresponding economy: the knowledge economy or true welfare economy (not the welfare state economy-WSE in favour of the State; the real wellbeing economics-WBE in favour of the human beings). In the current transitional period, the digital economy (DE) has hatched, after of the 4<sup>th</sup> industrial & technological revolution, in the current phase of gig economy, which comprises the

combinatorial of the collaborative/shared & circular economy (CCE), the autonomous economy (AE) and the orange economy (OE).

However, if everything changes, should not the academic apparatus with these changes are also studied? Does it make sense to continue reducing the economy to its macroeconomic and econometric study as it has been dominating in the years of WSE splendour 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)-beyond the Institutional Law & Economics, e.g. Public choice. This approach is the merger of several initiatives that have occurred after globalization, in particular, that, operating in the USA (and some other countries, like Netherlands or New Zealand) with the renewal of studies in Business Schools (Hofstede, 1993; Seligman 2002 & 2011) and the so-called Fresh-water Schools of Economics great lakes and inland universities: Chicago, Northwestern, Michigan, Minneapolis, Carnegie Mellon, Pittsburgh, Minnesota, Cornell, Rochester, etc. (Sánchez-Bayón & Trincado, 2020). Also for the hermeneutic turn in the Nobel Prize in Economics (Sánchez-Bayón, 2020), most of the winners have been paying attention to consumer behavior and labour and organizational relations (e.g. Coase, North, Akerlof, Kahneman, Schelling, Smith, Ostrom, Thaler). So, this paper is a heuristic synthesis of that entire proposal to have a story-telling about the development of the labour relations in changing organizations by the digital transition, and the resistance to these transformations from the academic and bureaucratic mainstream. Of course, there are many limitations in this research (there will be other quantitative papers), but this is just a first step to study the impact of digital transition in the labour relations and in the business culture.

According to the GE&CCM approach, it is possible to realize a holistic synthesis (a micro-analysis of labour relations and organizational culture mixed with a macro-analysis of public policies and regulation related), and following the transition from an old rigid and bureaucratic Human Resources-HR model (within WSE) to a new, flexible one and creative of authentic welfare (WBE). 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). For WSE, it makes sense to speak of HR (as replaceable pieces of the system), but not more with the changes of the digital transition (accelerated in the globalization). In this sense it is possible today to talk about the end of HR. The main reasons:

1. Organizations sought the satisfaction of objectives, functioning as well-gearred machinery, in addition to having abundant spare parts (HR).
2. 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.
3. The expiry of norms and institutions in labour relations and business culture. Today, the public regulation and policies are related with compliance, and there is a disconnection between the new issues and their legal recognition and political and economic management.

### **Labour Relations Diagnosis: From HR to Talent Development**

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 (Sánchez-Bayón, 2020). This is when engineers as 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 are developed. Current historiography seems to insist on differentiating approaches (Hounshell, 1985; 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 (Ford & Crowther, 1922 & 1926), 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 (Ford & Crowther, 1930).

The combination of proposals from Taylor and Ford, led to increased production in the manufacture of automobiles (achieving the mass-production), 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 (Mills, 1956), reaching its zenith with WSE after 2<sup>nd</sup> 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 2019).

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 (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; 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 emotionality). 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 (Table 1).

<b>Table 1 REVELATIONS OF PARADIGMATIC CHANGES AND LABOUR RELATIONS IN COMPANIES</b>	
<b>OLD PARADIGM (WSE)</b>	<b>NEW PARADIGM (DE: gig to WBE)</b>
Industrial and material economy (mechanistic)	Economy of Knowledge and experiences (quantum)
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)	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, on-demand, 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 (Sánchez-Bayón, 2020).	

To make a real review of labour relations development and HR model, the first veil to be removed, it is 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) and 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.

It should be noted that neither the denomination nor the inspiration of the WSE is social democratic. 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 (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, he 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 2×2: 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, 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 Krafcik's at Sloan-MIT, 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 & Jones, 2014 & 2003; Womack & Ross, 1990).

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:

1. Due to cultural differences: Southeast Asia began its westernization in the 19<sup>th</sup> century, 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, 2012).
2. 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 anti-protest movements, such as the hippies, which inspired the university revolts of the 1960s, especially in the United States and France (e.g. Sartre, Derrida and 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 (Lindbeck, 1971).
3. 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, ethno cultural, 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 a eugenic new-Malthusianism 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 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 review, 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 or motor 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. GAFAM: Google, Apple, Facebook, Amazon), with diverse collaborators (in nationalities, ethnic groups, gender, among others) and creative (with initiative and original approaches).

Beyond the HR model in WSE, the gig phase of DE brings together expressions like 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?

- 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).
- 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.

In DE, the markets and jobs are more difficult to be controlled 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).

### **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), you 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).

### **Free Riders (Runners)**

They are lone riders, offering services with less administrative control. In HR, it refers to low-skilled operators, forced to move (e.g. delivery men & 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. 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 (the big companies), alternatives such as La Pájara, or specialized distribution ants are emerging with services for consultant and law firms.

As a result of this review, the expiration and paradigmatic change in economics, business, labour, and HR, among others, in the tertiary sector (in the transition to the quaternary by tech), with constant corrections to improve during the current post-globalization, they are confirmed. 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:

### **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;

### **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, 2013);

### **Human Resources**

At the same time as there has been super-regulation, 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 talent-hunting. 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 paper) 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 set) serve as a concrete example, compared to the chaebols models oriented to the DE as the Asian tigers (e.g. Singapore, South Korea, Taiwan). Even these require revision, as they respond to alternative models of the 1960s. Related with labour relations, 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 entrepreneurship, talent and happiness management (as part of WBE) for post-globalization. Throughout the paper, key ideas have been planted: the obsolescence of HR due to the fulfilment of objectives and cycle; the balance of the changes in the digital transition, moving from the Taylorism (as the motor corporation sector) to the technovation (e.g. Google, Facebook, Amazon, Apple), which means to switch the bureaucratic model of HR (with official titled and repetitive workers) to the creative model of talent 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 (a mature organization requires talent-collaborators to make the difference). 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).

The corollary of this paper is about the risk of the disconnection between the changes in the labour relations and the business culture and the public policies and regulation about it. For this reason, it is a mistake to try to submit the new issues to norms and institutions in expiration process (HR is linked with WSE and this model is linked with nation-State, in crisis with the globalization). It must necessary to remember a principle of Law & Economics: the compliance of Law has a high cost and the Law is not a constant. In consequence, in a changing World, an excess of interventionism, to offer a false security, it could become a reason of scarify (moving people to informal markets, because the rigidity). In this way, may be it could be convenience to let some freedom to the agents (collaborators and companies) to have experimental deals (some experiences of good practices are compiled by Global Compact-NUU, Wellbeing Economics Alliance-World Economic Forum), and them, in inductive way, it could be great to fix a general standard.

## ACKNOWLEDGEMENT

Research part of Sánchez-Bayón's PhD dissertation in Economics (UVA), with the support of GESCE-URJC & TRANS-REAL LAB-UVA.

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