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THE ESSENCE AND NECESSITY OF INTRODUCING DIGITAL TECHNOLOGIES IN THE DEVELOPMENT OF HUMAN CAPITAL

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ABSTRACT

The article is devoted to the essence and necessity of the introduction of digital technologies in the development of human capital, and the literature of economists was studied as part of the research. Also, the main directions of human capital development were investigated and a conclusion was formed at the end.

KEYWORDS

Capital, digital technology, human capital, technological determinism

Introduction

In today's rapidly developing digital environment, the integration of technology into various aspects of human life is widespread everywhere. Digital technologies have fundamentally changed our daily interactions and activities, from the way we communicate and collaborate to the way we study and work. During this digital revolution, the field of human capital development is in the first place, facing unprecedented opportunities and difficult problems.

Scientists, operators and politicians are increasingly paying attention to the essence and necessity of introducing digital technologies in the development of human capital. Human capital, defined as knowledge, skills and abilities embodied in individuals, serves as the basis of economic growth, organizational success and social development. Thus, increasing human capital through effective development strategies is necessary to encourage innovation, increase efficiency and ensure sustainable development in the digital age.

This dissertation is aimed at studying the multifaceted relationship between digital technologies and human capital development, and sheds light on the transformational potential of technology-based approaches to education, skill acquisition, and organizational growth. By studying the theoretical foundations of human capital theory, technological determinism and digital transformation, we aimed to create a comprehensive basis for understanding the dynamic interaction between technology and human capital.

The integration of digital technologies into human capital development holds great promise for solving long-standing problems and opening up new opportunities in various fields. Digital technologies offer many tools and platforms for people and organizations to thrive in a complex and interconnected world, from improving digital literacy and facilitating organizational agility.

However, along with these opportunities, the implementation of digital technologies also raises serious problems and ethical considerations. Challenges such as the digital divide, data privacy, and technological shift underscore the need for careful consideration and responsible implementation of digital initiatives in human capital development efforts.

Literature Review

Through an in-depth study of relevant literature, case studies and empirical evidence, this dissertation attempts to shed light on the critical importance of the use of digital technologies in human capital development. Human capital theory has influenced many fields, including economics, education, and sociology. This theory suggests that investment in human capital, such as education, increases productivity, which can lead to increased personal income and economic growth.

According to E. Tan (2014), the theory of human capital has had a profound impact on many disciplines, despite ongoing criticism. According to him, investments in human capital are expanding in various research directions, although these expansions have attracted criticism that they are somewhat fragmented and disorganized.

Some scholars argue that the theory of human capital is not sufficiently supported by empirical evidence, which questions its validity in explaining the distribution of personal income. These criticisms point to potential circular reasoning and lack of provability in the theory (B.Fix, 2018).

The theory has been criticized for its methodological weaknesses, such as closed-system modeling and the use of incorrect mathematical applications. It is also said to oversimplify the path between education and work without taking into account variables such as social background and the complex nature of labor markets (S. Marginson, 2019). In general, although human capital theory has been fundamental in understanding the economic importance of education, it faces serious criticisms related to its empirical validity and the simplicity of its models. This highlights the ongoing debate and the need for more nuanced approaches to examining the relationship between education and economic outcomes.

Technological determinism is a theoretical concept used to study how technology affects human activities and social structures. It emphasizes that technology is the main factor of social changes. This concept is widely discussed in several scientific disciplines, and according to A. Dafoe (2015), technological determinism is often viewed from a critical point of view, but it can be used constructively to understand the social impact of technology, paying attention to autonomous and socially shaping trends. It is important to distinguish between "hard" and "soft" determinism, the first sees technology as an autonomous force shaping society, and the second recognizes the mutual relationship between technology and society.

Different perspectives on technological determinism influence policy decisions and perceptions of technology risks and opportunities. For example, soft determinism suggests that while technology affects changes in society, this effect is not unilateral or predetermined (C.Lee, 2022).

In summary, while technological determinism provides a framework for considering the impact of technology on society, it is essential to integrate this perspective with other theoretical approaches to fully understand the multifaceted interactions between technology, individuals, and social structures.

Analysis and Results

In today's era, digital technologies are an integral part of human capital development, reshaping the way people learn, develop skills and contribute to organizational success. Digital technologies include a wide range of tools, platforms and systems that use digital information and communication technologies to facilitate various processes and activities. These technologies include, but are not limited to:

Learning Management Systems (LMS);

Virtual Reality (VR) and Augmented Reality (AR) applications;

Artificial Intelligence (AI) and Machine Learning (ML) algorithms ;

Online collaboration tools and platforms ;

Mobile education programs ;

Game and simulation guide .

The scope of digital technologies in the development of human capital belongs to several areas, including education, training, professional development and organizational training. These technologies offer a variety of functions, from content delivery and evaluation to interactive learning experiences and personal skill development.

The development of human capital means the process of increasing the knowledge, skills and abilities of individuals in order to effectively contribute to the goals of the organization and the development of society. It includes formal education, informal learning experiences, on-the-job training and lifelong learning.

Fig. 1. The main goal of human capital development[1]

Human capital development represents a strategic approach aimed at improving the knowledge, skills and abilities of individuals to meet the changing demands of the labor market, develop the organization's activities and contribute to the development of society. Fundamentally, human capital

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development involves a dynamic process of learning, skill acquisition, and capability development that continues throughout a person's life.

Table 1

The main directions of human capital development[2]

Lifelong learning	Human capital development recognizes the importance of continuous learning and development throughout a person's life. In an era characterized by rapid technological advances and economic shifts, the ability to adapt and learn new skills is critical to maintaining employment and being competitive in the workforce. Continuing education includes formal education, non-formal learning experiences, on-the-job training and self-directed initiatives.
Acquiring and improving skills	Human capital development aims to equip people with the knowledge, skills and abilities needed to perform effectively in their current roles and pursue future career opportunities. This includes identifying relevant skills gaps, developing targeted training programs and providing opportunities for hands-on learning and skills development. Key skill areas include technical competencies, soft skills (eg communication, teamwork) and digital literacy.
Talent management and career development	Human capital development includes strategic talent management operations aimed at attracting, retaining and developing skilled workforce. This includes talent recruitment, career planning, performance management, and succession planning initiatives designed to support employee growth and career development in the organization. Organizations can invest in the development and well-being of employees and increase employee activity, job satisfaction, and organizational loyalty.
Organizational education and knowledge management	Human capital development goes beyond individual development to encompass organizational learning and knowledge management processes. Organizations must create a culture of continuous learning, innovation and knowledge sharing to remain competitive in today's knowledge-based economy. This includes capturing and leveraging tacit knowledge, developing communities of practice, and implementing knowledge sharing platforms and practices to facilitate collaborative problem solving and organizational agility.
Social and economic development	Human capital development has wider implications for social and economic development at national and global levels. By investing in education, training and skills development initiatives, governments and policymakers can help individuals reach their full potential, reduce poverty and promote inclusive economic growth. Human capital development also contributes to social cohesion, gender equality and sustainable development goals by expanding access to education, improving health outcomes and promoting social mobility.

Based on the above table, it can be said that human capital development represents a holistic approach aimed at developing the potential of individuals, increasing their capabilities and maximizing their contribution to organizational and social goals. By prioritizing lifelong learning, skills development, talent management, organizational learning and social and economic development, human capital development lays the foundation for building a skilled, flexible and resilient workforce that can thrive in an ever-changing world.

The integration of digital technologies into human capital development has a profound impact on organizational strategies, practices and culture. As organizations seek to use technology to enhance the

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skills, knowledge and capabilities of their workforce, they must navigate a complex landscape of opportunities and challenges. Adopting digital technologies requires a cultural change in organizations characterized by a commitment to innovation, agility and continuous learning. Leaders play a critical role in fostering a culture of digital readiness and adaptation, where employees are encouraged to experiment, collaborate and embrace change.

Digital transformation initiatives must align with organizational goals and values, ensuring that technology adoption supports strategic goals and improves organizational performance. This may involve reengineering processes, redesigning workflows and rethinking traditional roles to accommodate digital innovation.

Digital technologies offer new ways to acquire and recruit talent, allowing organizations to access a wider pool of candidates through online platforms, social media and digital networking tools. Recruiters can use data analytics and AI-based algorithms to identify and assess candidates' suitability for specific roles, streamline the hiring process, and improve decision-making.

To attract and retain top talent, organizations must prioritize opportunities for employee development and career advancement through digital technologies. Investing in online learning platforms, virtual mentoring programs, and professional development initiatives demonstrates commitment to employee growth and professional development and increases engagement and engagement.

Digital technologies facilitate real-time performance monitoring and feedback, allowing managers to provide timely guidance, recognition and support to employees. Performance management systems equipped with data analytics capabilities enable organizations to monitor key performance indicators, identify trends, and make data-driven decisions to optimize workforce performance.

As organizations collect and analyze large amounts of data related to employee performance, learning outcomes, and engagement metrics, they must prioritize data privacy and ethical issues. Protecting confidential data, obtaining consent to use data, and complying with relevant regulations are critical to maintaining trust and integrity in digital human capital development initiatives.

Conclusions and Suggestions

In summary, the organizational impact of digital technologies on human capital development is wide-ranging and includes cultural change, talent management, performance management, organizational learning, and ethical aspects. By embracing digital innovation and adopting a strategic approach to technology integration, organizations can unleash the full potential of their workforce , develop innovation, and achieve sustainable competitive advantage in the digital age.

The importance and necessity of introducing digital technologies to human capital development cannot be denied in today's fast-paced and technology-driven world. Throughout this dissertation, we have explored the transformative impact of digital technologies on human capital development, addressing key topics such as digital literacy, innovative learning methodologies, skills development, and organizational impacts. From expanding learning opportunities to fostering collaboration and innovation in the workplace, digital technologies offer tremendous opportunities to unlock the full potential of individuals and organizations.

Organizations must proactively manage this transition by investing in training and development programs that equip employees with the skills they need to succeed in the digital economy. In addition, organizational culture plays a crucial role in shaping the adoption and diffusion of digital technologies.

Leaders must foster a culture of innovation, collaboration, and continuous learning where employees feel empowered to embrace change and experiment with new technologies.

In conclusion, the integration of digital technologies into human capital development represents a paradigm shift in how people learn, work and contribute to organizational success. By embracing digital innovation and taking a strategic approach to technology integration, organizations can unlock the full potential of human capital that drives innovation, productivity and growth in the digital age.

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