Nóra HEGYI-HALMOS & Zsuzsa KOVÁCS & Szilvia LAKNER & Anna Orsolya PONGOR-JUHÁSZ & Tünde TÓTH-TÉGLÁS

The Role of Human Resource Consultants in Digital Transformation – A Report on the Conference Co-Organized by the ELTE PPK Institute for Adult Education Research and Knowledge Management and EPALE Hungary

On 27 February 2025, the VI Knowledge, Learning, and Innovation Conference convened, with a primary focus on the multifaceted challenges confronting human resource management (HRM) and adult learning professionals amidst the ongoing digital transformation.

The digital transformation presents a dual mandate for HRM and adult learning professionals. On one hand, rapidly advancing technological solutions – akin to developments in other domains – offer unprecedented opportunities to automate and enhance the efficiency of workforce management and human development processes. On the other hand, HR consultants play a critical role in facilitating digital transformation initiatives, ensuring that organizations maintain their competitive edge. Simultaneously, the managers and HR professionals who lead and shape these transitions are themselves navigating a paradigm shift, tasked with managing and orchestrating complex processes that are often challenging to comprehend and laden with both potential benefits and inherent risks.

In her opening address, **Dr. habil. Helga Dorner**, Director of the Institute for Adult Education Research and Knowledge Management (FTI), which organized the conference, underscored the importance of fostering a professional dialogue between academic theorists and industry practitioners. She emphasized that "as a leader, I consider it a vital objective to create a platform for collaboration that bridges theoretical insights and practical expertise." To this end, the conference program was meticulously designed to integrate insights from market and academic research, adopt a multidisciplinary perspective, and ground discussions in real-world experiences to critically examine the implications of digitalization for HRM and adult learning.

The conference featured a diverse array of speakers and participants, including HR professionals, consultants, training experts, academics, alumni of the EET master's program, and current students. This inclusive approach aimed to promote knowledge exchange and mutual learning through the sharing of varied perspectives and experiences. Special thanks were extended to the invited speakers, whose contributions and research played an instrumental role in initiating a meaningful dialogue on these pressing issues.

This report provides a synthesis of the key ideas presented during the conference sessions and offers insights from the roundtable discussions, capturing the collective expertise and emerging themes that surfaced throughout the event.

Plenary Sessions

How Digital Will the Future of HR Functions Be?

Martin Csépai, Head of Deloitte's HR Consulting Business in Hungary, opened the conference with an insightful presentation on the latest trends in digital transformation within organizations and human resource (HR) management, drawing on both international and domestic research conducted by Deloitte.

In his presentation, *Csépai* emphasized the shift from traditional, standalone HR solutions to integrated, cloud-based applications. He highlighted how emerging cognitive technologies, including robotics, artificial intelligence (AI), and machine learning, have the potential to elevate HR digitalization to a new level. These innovations pave the way for a transition to "Work-Tech," a future-oriented

concept where technology is seamlessly embedded in everyday work processes, enhancing efficiency and workflow integration.

Martin Csépai identified three critical areas where the HR profession must develop radically new solutions and digital applications as the digital world continues to evolve:

- **Transformation of Work Processes:** The nature of work will undergo significant change due to rapidly advancing technological solutions, with the degree of transformation depending on the extent to which various tasks and subtasks can be automated.
- **Broadening the Workforce Spectrum:** Organizations will need to utilize a wider array of employment models, extending beyond traditional full-time roles to include atypical employment arrangements, freelancers, and external service providers.
- *Flexibility in Work Arrangements*: Modern workplaces are increasingly adopting flexible approaches to when and where work is performed, promoting efficient hybrid solutions and adaptable work environments.

The speaker stressed the critical link between digital transformation and the enhancement of employees' digital skills, stating, "*It is difficult to digitize without people's digital skills evolving in line with it.*" He highlighted the importance of building HR systems that are not only efficient but also user-friendly and widely accepted by both managers and employees. *Csépai* outlined the strategic components that will define the next generation of digital HR strategy, focusing on the integration of innovative solutions into core cloud-based HR systems:

- Unified Employee Experience: Future digital solutions must cater to employee engagement and problem-solving needs, creating a centralized platform where employees can easily find answers and navigate various applications. This shift is driven by employee dissatisfaction with fragmented systems and the increasing prevalence of teleworking, as indicated by Deloitte's survey data.
- Automation and Artificial Intelligence in HR Functions: Al and automation hold vast potential within HR, particularly in reducing the time employees spend searching for information. Current systems often fall short, with many employees expressing dissatisfaction with information retrieval processes. Tools such as organizational chatbots can alleviate the workload on HR staff by managing routine queries and providing quicker, more efficient responses to employees.
- **People Analytics and Data Management Tools:** Deloitte's research indicates that the use of people analytics in HR is still in its early stages. Although organizations collect extensive data on work processes and employee behaviors, they often fail to fully exploit this resource. Advanced analytics models can process large volumes of complex data to support informed organizational decisions. For example, predictive analytics can identify employees at risk of leaving the organization due to low engagement, enabling the development of targeted retention strategies.
- *HR as a Cross-Functional Ecosystem:* The vision for a digital HR portfolio involves creating a personalized employee experience, embedding HR activities directly into work processes, and simultaneously supporting both performance management and organizational engagement.

Csépai also discussed the state of digital transformation in Hungary, noting that domestic companies often adopt a more conservative approach to innovation. The focus tends to be on enhancing operational efficiency rather than experimenting with pioneering digital initiatives. Deloitte's survey data suggests that while investments in digital HR are on the rise, they are primarily directed toward implementing basic functions and solutions. There is less emphasis on developing advanced, integrated "Work-Tech" systems compared to more innovative markets.

Overall, the presentation highlighted the transformative potential of digital technologies in HR management and underscored the need for strategic, forward-thinking approaches to fully harness the benefits of digitalization.

Current Issues at the Intersection of HR and Data Science

Dr. Sándor Soós, habilitated associate professor at the ELTE PPK Institute for Adult Education Research and Knowledge Management (FTI), delivered a presentation exploring the intersection of human resource management (HRM) and data science, with a particular focus on the opportunities and challenges associated with the application of artificial intelligence (AI) in HR practices.

In his presentation, *Dr. Soós* emphasized the significance of machine learning from a knowledge management perspective, noting its potential to capture and institutionalize expert tacit knowledge within organizational memory. Machine learning seeks to identify and analyze data relationships through supervised learning processes. One of its primary features, as highlighted by *Soós*, is its *predictive capability*, which can optimize recruitment processes by leveraging data analytics to forecast prospective employees' performance and retention. However, he posed a critical question: do Aldriven systems genuinely select the most suitable candidates? *He underscored the pivotal role of HR professionals in ensuring the proper training of AI systems, the accurate definition of input features, and the rigorous validation of predictive models.*

The majority of AI-based HR systems employ supervised learning models that not only recognize patterns grounded in human expertise but also support decision-making processes. The overarching aim is to develop AI systems capable of drawing inferences and making decisions that are on par with, or even exceed, those made by human experts. However, enhancing predictive performance often involves a trade-off: while increasing model complexity may improve predictions, it simultaneously diminishes interpretability and explainability. HR professionals implementing these systems must *navigate this balance between predictive accuracy and process transparency*, a dilemma that not only raises ethical concerns but also bears legal implications.

Dr. Soós pointed out that although very different at the surface, Machine Learning models in Decision Support and in popular generative (LLM-based) solutions fundamentally operate the same way. He compared two prototypical cases:

- Classification AI Systems: These systems operate on structured data and make decisions based on learned function, essentially replicating prior expert classifications. Commonly used in recruitment and selection, these tools mostly rely on classical statistical and computational models, such as regression analysis and decision trees. These models are linear and highly interpretable, offering a clear explanation of the relationship between input data and outcomes.
- Generative AI Solutions (text generation): In contrast, generative AI models process unstructured data, primarily textual inputs. Their objective is to predict the next word in a sequence based on large language models used in text generation. Current applications in HR include streamlining communication and enhancing onboarding processes. These deep learning and neural network-based solutions, however, introduce complexity by producing outputs that are not directly traceable to specific input data.

Based on systematic literature reviews and a bibliometric analysis, *Dr. Soós* identified a persistent gap in academic discourse: limited interaction exists between management studies, including HR, and computer science. While management fields demonstrate increasing scholarly interest in the technological potential of AI, research on practical business applications remains largely at the domain of applied computer science. *His review revealed that within many HR functions, classical, well-interpretable models continue to dominate*. In recruitment, specifically, linear and explainable models prevail, although a gradual shift towards more complex, less transparent methods – such as deep learning and neural networks—is emerging, particularly for strategic HR decision-making.

Poster Session

As part of the conference, a poster session provided an opportunity for students and researchers to present their scientific work related to the conference theme. The displayed posters showcased the results of our students' scientific research projects, including their thesis and academic competition papers. We would like to express our gratitude to the HVG Állásbörze for supporting the realization of the poster session.

Investigation of Workplace Informal Learning in the Recruitment Division of a Headhunting Company Bálint Gergely Kassai, BA Student in Community Organization, ELTE PPK Supervisor: Dr. Emese Schiller

Informal learning in the workplace plays a fundamental role in the functioning of organizations, particularly in a rapidly changing economic environment where continuous employee development is crucial. The research presented on the poster examined the informal learning processes within three recruitment divisions—Technical, IT, and Corporate-SSC – of a Budapest-based headhunting company.

Data collection was conducted through semi-structured focus group interviews, analyzed using ATLAS.ti software, enabling an in-depth exploration of both deductive and inductive themes.

The findings highlighted the significant importance of proactive learning, the use of digital resources, and self-development across all three divisions. Employees regularly utilized online platforms and professional materials to acquire new knowledge. However, differences were observed in informal learning practices and the supportive nature of the work environment. While project-based learning as a form of cooperation effectively facilitated professional development, collaboration between divisions proved limited, indicating a need for deliberate improvement in the future.

Special attention was given to the role of artificial intelligence (AI), which opens new dimensions in workplace learning. AI-based technologies, such as generative AI, significantly contributed to informal learning processes, particularly in automating routine tasks, supporting data-driven decision-making, and providing real-time feedback. AI not only facilitates faster information acquisition but also enhances independent learning skills and the sharing of professional knowledge, thereby improving employees' flexibility and adaptability.

The Limitations of Artificial Intelligence

Éva Markó, Masters Student in Human Resource Counselling, ELTE PPK Supervisor: *Anna Orsolya Pongor-Juhász*

In the continuously evolving labor market, employees must keep pace with digital transformation. Technological advancements, particularly the rise of artificial intelligence (AI), have a profound impact on organizations, necessitating preparedness at both individual and organizational levels. Digitalization has become an integral part of everyday life and the world of work, with both strategy and technology influencing the pace of transformation. Among the greatest challenges are continuous learning, adaptability, and enhancing the employee experience, which can boost engagement and productivity.

The field of human resources (HR) has undergone significant changes due to digital transformation. Beyond traditional functions, new roles have emerged, becoming integral to corporate strategy. The use of AI requires employees to engage in critical thinking, as creativity and openness to innovation alone are no longer sufficient. While AI offers substantial benefits, it is also essential to consider its limitations. Data security and privacy are critical concerns, as AI systems often handle sensitive information. There is a risk of discrimination, as algorithms can sometimes reinforce biases, posing a threat to fairness and equality in decision-making. Additionally, transparency and explainability remain challenging, as it is often difficult to understand the underlying logic of AI-driven decisions, complicating accountability. The implementation of AI can also be costly, and technical failures may expose organizations to vulnerabilities. Furthermore, the reduction of human interaction may diminish empathy and emotional support within the workplace.

Overall, the application of artificial intelligence holds significant potential but requires a deliberate and responsible approach. Introducing AI is not merely a technological endeavor but also raises ethical and strategic considerations that organizations must address to ensure balanced and sustainable integration.

Opportunities for Gamification in the Field of HR

Nikoletta Kovács, Masters Student in Human Resource Counselling, ELTE PPK Supervisor: Dr. Zsuzsa Kovács

In recent years, organizations have faced numerous challenges, including the labor market impacts of the COVID-19 pandemic, the emergence of a new generation of employees, and the rapid development of Industry 4.0. These changes present new tasks for HR professionals, as attracting, motivating, and retaining talent has become increasingly difficult. Gamification, a method that incorporates game-like elements into non-game contexts, has emerged as an increasingly popular approach offering innovative solutions to address these challenges.

The primary goal of gamification is to enhance employee motivation, engagement, and performance, while also improving the efficiency of training, talent management, and knowledge management processes. Research indicates that gamification is most commonly applied in the areas of training and development, performance management, and career management, although it can be utilized across nearly all HR functions, including recruitment, onboarding, recognition, and reward systems.

While gamification has the potential to be an effective tool, its implementation may encounter several obstacles. According to a survey, 79% of HR professionals do not use gamification elements, citing barriers such as lack of management support, financial constraints, and resistance from employees. Additionally, gamification may not yield the desired outcomes if the game elements are overly simplistic, if external motivation is prioritized over internal motivation, or if there is an excessive reliance on points and leaderboards.

Despite these challenges, with appropriate planning and implementation, gamification can become a powerful tool for modern HR practices. The evolving labor market and the emergence of young employees who are receptive to digitalization underscore the potential benefits of broader adoption of gamification within organizations.

Sustainable Development Through the Acquisition of Digital Skills in the Workplace

Boglárka Schmél, Bachelor's Student in International Business (English Program), ELTE GTK

In a rapidly changing and evolving digital environment, organizations face increasing pressure to adapt to technological innovations while maintaining a long-term focus on sustainability. This poster presents the results of a secondary research study examining how human resource management (HRM) can effectively support the development of digital skills, thereby promoting sustainable economic development. Digital competencies have become indispensable for organizational survival and competitiveness, making it critical to explore the relationship between HR management, digital skills development, and sustainable economic growth, as well as the mutual influence of these elements.

The literature review focuses on the interplay between HR leadership, digital skill enhancement, and sustainable development, highlighting how these factors impact each other. The research aims to demonstrate the role of HR management in overcoming the challenges posed by digitalization and in creating a skilled, adaptable workforce that prioritizes sustainability. The findings contribute to a deeper understanding of how strategic HR practices can cultivate a resilient workforce capable of driving long-term organizational success in a sustainable manner.

Sessions

The Organizational and Human Dimensions of Digital Transformation in Practice (Session 1.)

During the session, Emőke Erdélyi, HR Director, and György Gaszmann, Digitalisation and Transformation Director of CETIN Hungary Zrt., shared insights into the company's digital transformation journey, which commenced two years ago. The session was moderated by Dr. Szilvia Lakner, adjunct professor at the ELTE PPK Institute for Adult Education Research and Knowledge Management (FTI).

CETIN Hungary operates as an independent integrated service provider, delivering advanced mobile network and data services to a broad spectrum of telecommunications operators and business clients. As a driving force behind digital transformation, CETIN is committed to offering state-of-the-art communications infrastructure, supported by a workforce of over 200 employees. The overarching objective of the digital transformation initiative is to facilitate a transition to service-oriented operations, enhance operational efficiency, and ensure a balanced workload for employees. The company's ethos is deeply rooted in innovation and development, with a strategic focus on leveraging the latest technologies and creating an innovative, people- and customer-centric organizational culture by engaging Generation Z.

Transformation Strategy and Process

The transformation strategy at CETIN is structured into three main phases: preparation, implementation, and continuous improvement. The transformation effort encompasses several critical domains, including process automation, the integration of artificial intelligence (AI), the widespread application of data analytics, and the adoption of agile methodologies where applicable. Throughout all phases and across all domains, particular emphasis is placed on organizational development and change management. Although digital transformation is often perceived as a technological endeavor, CETIN approaches it primarily as an organizational development challenge rather than a mere technology project.

From the inception of the project, employees were actively involved in the development of each area, ensuring a blend of grassroots insights with managerial ideas and expectations. The transformation process prioritizes the individual employee, not only during the implementation phase but also in the subsequent stages. A fundamental aspect of the change process involves ensuring that employees understand how the transformation benefits them personally, fostering a sense of value and alignment with organizational goals.

Key Elements of the Transformation Approach

The transformation at CETIN is supported by a range of coordinated initiatives designed to facilitate and sustain change. Training programs are offered at both management and staff levels, covering agile methodologies, AI fundamentals, and the use of tools such as Copilot. An AI ambassador program emerged from this training, further embedding digital competencies within the organizational culture.

The AI user forum serves as a platform for information exchange and peer learning, enhancing credibility and knowledge sharing among experts. The talent program focuses on developing digital, cultural, and strategic thinking skills, with participants contributing to pilot projects centered on process automation and AI development. Agile coaching is provided to support adaptive thinking and a flexible approach to new processes. Digitalization is integrated into goal setting and performance evaluations, aligning individual objectives with the broader transformation strategy. The company also incentivizes innovation by rewarding creative ideas biannually, ensuring that successful proposals receive the necessary resources and support for implementation.

Leadership meetings are held to assist middle management in developing a holistic understanding of digitalization. Decision-making processes reflect digitalization priorities, embedding these expectations into approval workflows. Generational workshops are conducted to bridge the gap between older and younger employees, promoting generational understanding and collaboration.

HR Directorate's Digital Initiatives

In addition to company-wide programs, the HR directorate at CETIN integrates digitalization and AI into several key areas. These include enhancing personal effectiveness and learning development, automating and digitizing HR processes, and supporting the creation of communication materials and policies. These initiatives contribute to a more efficient and adaptive organizational environment.

Ongoing Challenges and Future Steps

According to the CETIN model, the digital transformation process is well underway and progressing in alignment with strategic objectives. However, continuous attention is required to maintain systematic and

transparent communication, actively gather and analyze feedback, and adjust future steps accordingly. Next steps include expanding the AI ambassador role to expert levels, shifting from awareness to establishing clear expectations at the management level, increasing engagement with Generation Z, and maintaining a balanced approach between bottom-up initiatives and strategic directives.

Overall, CETIN's experience underscores the critical role of thoughtful organizational development and human-centric approaches in achieving successful and sustainable digital transformation. The integration of technology with robust change management practices serves as a model for other organizations navigating similar transformations.

Challenges of Professionalization in Adult Educators in the Context of Digital Transformation (Session 2.)

The conference section dedicated to the professionalization of adult educators focused on the challenges posed by digital transformation and the opportunities for adaptation within the field of adult education. Participants engaged in discussions around critical topics such as methodological innovation, the optimal balance between technological advancements and in-person interactions, and the role of professional communities in supporting the continuous development of adult educators.

In the opening of the session, *Dr. Zsuzsa Kovács*, assistant professor at ELTE PPK FTI and moderator of the session, alongside *Ágnes Tóthné Vámosi*, a student in the Andragogy MA program, introduced the objectives, activities, and achievements of the ÆduSphere Andragogical Research Group. This research initiative, developed by university lecturers and andragogy students, aims to promote the professionalization of adult educators through two primary strategies: establishing a comprehensive knowledge base and conducting empirical research.

A significant outcome of the workshop was the creation of a database with the involvement of firstyear master's students. This resource compiles data on adult educators' professional competencies, roles, national and international methodological materials, and relevant regulatory frameworks. Additionally, as part of her thesis research, *Emese Miklós*, a student specializing in adult education research, conducted interviews to explore the professional development needs and challenges faced by adult educators. The research findings highlight the key factors contributing to the professional growth and professionalization of adult educators.

Key Research Findings

The study revealed a strong demand among adult educators for continuous learning and selfdevelopment, including the enhancement of self-reflection skills. The development of digital competencies and openness to new teaching methods and technologies emerged as essential prerequisites for effective participation in modern educational environments. The findings also highlighted an increasing need for the establishment and application of professional quality standards that could standardize and uphold the high-quality practice of adult education.

Methodological knowledge and competencies require continuous expansion to facilitate the development of more effective teaching and learning processes. Strengthening professional communities is equally important, as educators seek collaborative opportunities based on knowledge sharing and a more robust system of professional support. Furthermore, expanding access to training opportunities is a critical need, as providing relevant and accessible training is key to promoting educators' professional development and enhancing their adaptability to educational challenges.

The Role of Digital Competencies in Adult Education

Tamás Sulyok, assistant professor at Milton Friedman University, emphasized the interplay between adult education roles and the digital environment in his presentation. He stressed the importance of adult education professionals possessing strong pedagogical/andragogical and methodological knowledge and fostering critical future-oriented competencies among their learners. He highlighted the "4Cs" competency model—communication, critical thinking, cooperation, and creativity—as well as the necessity of developing digital competencies in adult education. *Sulyok* also noted that the rapid advancement of digital technology is reshaping learning environments, creating new expectations for

adult educators. Future professionals in adult education must be prepared to enhance individual knowledge and apply the most appropriate methodological and digital tools effectively in their work.

Practical Insights from INSEDO Ltd.

Miklós Horváth, CEO of INSEDO Ltd., presented the company's profile, including its strategic collaborations in training projects and its involvement in organizing training for companies and small and medium-sized enterprises. INSEDO Ltd. focuses on integrating educational and adult education programs into digital modules and offers consultancy and methodological development for e-learning courses. *Horváth* provided insights into the company's pricing strategy and demonstrated the Learning Management System (LMS) framework they use, including the structure, interactive elements, and functionalities of their digital learning materials and e-learning programs. He also explained that, due to Hungary's state monopoly on vocational education in dual training systems, INSEDO Ltd. can only offer training outside the state KRÉTA framework through internal and external training formats for their partners. *Horváth* emphasized that future adult educators and students must possess adequate knowledge of digital training processes, including e-learning, LMS systems, and the development of digital learning materials.

Key Challenges Identified in the Closing Discussion

The session concluded with a professional discourse involving participants, during which several critical challenges in adult education were identified. The discussion revealed a significant gap in the availability of practical andragogical and methodological strategies, which presents considerable difficulties in practice. Moreover, the absence of standardized quality assurance measures hinders the establishment of unified professional guidelines. These gaps not only affect the effectiveness of educational processes but also limit support for the professional development of adult education specialists.

Another prominent challenge discussed was the limited availability of professional communities and knowledge-sharing platforms. The lack of these resources constrains the structured exchange of experiences and the promotion of professional collaboration. Additionally, participants noted that adult educators often struggle with self-reflection, particularly in recognizing and managing their professional development needs, which can impede effective self-improvement processes.

Conclusion

Overall, the session highlighted the complex and evolving nature of professionalization in adult education, particularly in the context of digital transformation. It emphasized the need for continuous professional development, the creation of robust support systems, and the strategic alignment of digital tools with educational objectives to enhance both teaching efficacy and learner outcomes.

Roundtable Discussion

Changing the mindset of the human resources consultant / A Paradigm Shift in Human Resource Consulting

During the roundtable discussion in the fourth session of the conference, the panel featured *Gyöngyvér Martin*, business consultant and interim HR manager; *Dr. Adrienn Ujhelyi*, habilitated associate professor at the Department of Social Psychology, ELTE PPK; *Dr. Csaba Otti*, CEO of Login Autonom and associate professor at Metropolitan University; and *Dr. Péter Schrankó*, business development expert at Ringier Partner. The discussion focused on the complex dilemmas of digital transformation impacting human resource management processes, exploring the perspectives and attitudes of HR professionals, managers, and employees alike.

In the opening segment of the roundtable discussion, invited experts were asked to share their perspectives on digitalization, including their hopes and concerns regarding the increasing prevalence of digital solutions across diverse domains. *Dr. Adrienn Ujhelyi*, approaching the topic from a social psychology perspective, expressed concerns about the profound impact of artificial intelligence (AI) on private relationships and individual identity, as well as the emerging digital divides between different

groups in society. She emphasized that the expanding role of AI in everyday life could reshape social dynamics and deepen inequalities.

Drawing on extensive senior management experience, *Gyöngyvér Martin* highlighted the multifaceted role of HR managers in the context of technological change. She argued that HR professionals must not only monitor emerging trends and align new market opportunities with organizational needs but also play an active role in the design and implementation of technology strategies. *Martin* underscored the importance of achieving a balance between human and technological elements within organizations. This involves fostering a supportive corporate culture, cultivating a management approach that aligns with employees' needs, and maintaining clear and effective communication throughout the transformation process.

Dr. Péter Schrankó introduced the concept of navigating both digital and analogue environments simultaneously, noting that the business world's challenge lies in managing the "revolving door" between these two spaces. He suggested that the more seamlessly organizations manage these transitions, the less disruptive they become. *Schrankó* also reflected on the collective trauma experienced in the labor market, where initially white-collar workers feared job losses due to automation, followed by blue-collar workers grappling with the implications of Industry 4.0. Despite the initial uncertainty, he observed a gradual stabilization and emphasized the importance of appreciating the "offline" aspects of daily life amid digital advancements.

Dr. Csaba Otti shared a forward-looking yet cautionary perspective, suggesting that the rapid pace of technological innovation often resembles a scenario from a science fiction narrative. He pointed out the potential for a future where human workers might find themselves in competition with humanoid robots. *Otti* stressed that while engineers are tasked with delivering technological solutions, the human impact of digital transformation must not be overlooked. He highlighted a critical issue where those responsible for implementing digital solutions have, paradoxically, lost their jobs post-development, hindering acceptance of the changes. To avoid such pitfalls, *Otti* advocated for a strategic approach to digital implementation, emphasizing the necessity of aligning initiatives with long-term organizational goals and involving experienced professionals throughout the process.

Overall, the discussion illuminated the complex and multifaceted challenges of digital transformation, underscoring the need for strategic foresight, balanced integration of technology, and a deep awareness of the human and social dimensions involved.

According to the roundtable participants, human resource (HR) professionals play a critical role in the introduction and implementation of digital solutions within organizations. *Gyöngyvér Martin* emphasized that HR managers must approach technological innovations with openness and proactivity. He noted that HR managers and professionals often exhibit ambivalent attitudes towards technological transformations. However, in his experience, the process is significantly smoother in organizations where HR operates within a business-led framework. In such environments, HR is already integrated into strategic planning, enabling HR professionals to understand the rationale behind technological changes, the intended goals, and the specific roles employees are expected to play. This strategic involvement allows HR teams to align with development objectives and support transformation processes more effectively.

Dr. Péter Schrankó highlighted that many managers remain unconvinced about the universal necessity and benefits of digitalization and technological transformation. He pointed out that managers face multifaceted responsibilities and must carefully weigh the risks associated with change. Firstly, they must ensure sustained profitability, which can lead to hesitancy regarding the digital transition, particularly when immediate returns on investment are unclear. Secondly, in a rapidly changing business environment, day-to-day operations demand constant focus and energy, leaving little room for the uncertainties associated with digital initiatives. Thirdly, past negative experiences with digitalization – often linked to misguided technological investments and a lack of strategic vision – have made many leaders cautious. *Schrankó* cited examples from the past 50 years where IT professionals provided poor advice, leading to unjustified investments such as in data warehouses that did not deliver tangible benefits. He emphasized that while data itself holds potential, it requires processing and further investment, particularly in human resources, to become a valuable asset.

Schrankó also raised a critical question about the nature of digitalization, asking whether the technological transformation and the evolving "transhuman age" should be viewed as an end, a means, or simply the environment in which organizations operate. He acknowledged that caution from company leaders is understandable but stressed that HR professionals are uniquely positioned to act as credible advocates for new processes, helping bridge the gap between technology and workforce acceptance.

Dr. Csaba Otti echoed similar sentiments regarding managerial attitudes toward digital transformations. He observed that when a business is performing well, it is particularly challenging to persuade decision-makers to embrace change, as transformation inherently involves risk. Significant technological investments, such as purchasing new production lines, represent not only financial burdens but also potential resistance from employees. *Otti* noted that while executive-level adoption of digital solutions can proceed rapidly when business continuity is at stake, such changes are often met with reluctance during stable periods. Before the COVID-19 pandemic, digital solutions were considered "nice to have," primarily aimed at addressing workforce shortages and enhancing the employee experience. He contrasted this with the 2008 financial crisis and the COVID-19 pandemic when digitalization became a necessity to maintain operations – whether through automation to replace a downsized workforce or enabling remote work overnight. In these critical moments, the ability to adapt quickly and implement digital solutions was essential.

Otti also emphasized the importance of leadership during times of transformation. While engineers are adept at implementing digital tools, HR professionals play a crucial role in preparing employees for change, managing their fears, and fostering internal motivation. Without a sense of intrinsic motivation, it becomes difficult for employees to embrace digital tools and adopt new technologies effectively.

Dr. Adrienn Ujhelyi supported these insights by referencing McKinsey's report¹ on the use of artificial intelligence (AI) in HR, which aligns with the panel's observations. According to the report, the age group most receptive to AI tools is between 30 and 45 years old, with this demographic also reporting the highest levels of confidence in their AI expertise. Interestingly, the report revealed a significant discrepancy between managers' perceptions and actual employee practices regarding AI usage. Managers tended to underestimate how frequently their subordinates utilized AI in their daily work, with three times as many employees reporting regular use of AI than managers expected. This gap in understanding also suggests that many employees may not disclose their reliance on AI, leading to an overestimation of their productivity. While short-term uncertainty about AI adoption remains high – only 1% of managers believe AI is mature enough for full-scale implementation – long-term attitudes are generally more optimistic, with most managers acknowledging the eventual necessity of AI integration.

Schrankó concluded by underscoring the importance of identifying leaders who possess a growth mindset, are open to learning, and can inspire continuous improvement among their peers. He argued that these qualities are vital for driving successful digital transformations and ensuring that organizations remain agile and forward-thinking in an increasingly digitalized world.

During our roundtable discussion, we explored the responsible use of artificial intelligence (AI) and the associated ethical considerations. According to *Dr. Péter Schrankó*, the ethical issues surrounding AI are often more accurately characterized as professional challenges. The critical question is the extent to which AI can produce high-quality, credible professional content. For example, can AI generate a robust business plan? *Schrankó* referenced the digital transformation discussed earlier in the session, highlighting that AI has already fostered the development of subcultures and ecosystems – more closed systems where the professional quality of AI-generated content is better assured.

¹ <u>https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/superagency-in-the-workplace-empowering-people-to-unlock-ais-full-potential-at-work</u>

Dr. Csaba Otti emphasized that AI represents a qualitative leap compared to traditional digital transformation initiatives in the workplace. Unlike complex integration software that often requires large-scale implementation, AI tools are more accessible, even for individual employees. However, *Otti* often encounters scenarios where companies are captivated by the potential of an algorithm without possessing the necessary data infrastructure to support its functionality. Many organizations aim to digitize their paper-based processes but become entangled in the minutiae of operational details, diverting attention from strategic priorities. This issue is compounded by the fact that many HR professionals struggle with process modeling, which creates significant obstacles to digital transformation.

Gyöngyvér Martin observed a substantial lag among Hungarian companies in adopting digitalization processes. He identified the primary challenge as the lack of up-to-date data, which is crucial for supporting data-driven decision-making, predictive analytics, and the effective deployment of AI tools. Despite this gap, *Martin* noted a growing openness and interest among HR professionals towards AI, particularly as a means to streamline administrative and operational tasks. By leveraging AI, HR professionals could allocate more time to strategic functions, such as organizational development, culture building, leadership development, and talent management. *Martin* also stressed the pivotal role of HR in bridging the gap between technology and employees. HR professionals can mitigate fears and biases towards AI and foster a positive organizational mindset. To achieve this, effective leadership, a supportive organizational culture, and transparent communication are essential. He pointed out that while there is interest among HR managers to participate in strategic planning, their involvement is often limited by the lack of strategic expectations from business owners, who may primarily view HR as a service provider rather than a strategic partner.

According to *Otti*, a frequent issue is that HR professionals focus narrowly on optimizing HR processes without fully understanding broader business objectives. This myopic approach hinders their ability to contribute meaningfully to the organization's digital transformation. *Otti* argued that HR's impact could be significantly enhanced if professionals developed a more holistic understanding of business strategies, enabling them to align HR initiatives with organizational goals and drive digitalization more effectively.

Overall, the discussion highlighted the nuanced role of HR in digital transformation, balancing operational efficiency with strategic alignment. It underscored the importance of equipping HR professionals with not only digital tools but also the strategic acumen necessary to integrate technology into broader organizational objectives responsibly and effectively.

In the concluding segment of the roundtable discussion, *Dr. Adrienn Ujhelyi* underscored the centrality of people in the context of digital transformation, emphasizing that technology fundamentally exists to serve human needs. She cautioned against framing productivity and people as opposing forces and advocated for approaching artificial intelligence (AI) through the lens of its practical benefits. Specifically, AI should be evaluated based on how it can enhance work processes, taking over routine tasks and thereby allowing employees to focus on more creative and intellectually stimulating activities. *Ujhelyi* noted that much of the fear surrounding AI stems from uncertainty—not knowing precisely what or whom to fear. To mitigate this, she highlighted the importance of maintaining openness to new information and continuous learning, which can help individuals recognize the specific situations and processes where AI is genuinely beneficial.

Dr. Péter Schrankó added that it is crucial to distinguish between how individuals present themselves digitally and their actual behaviors, as digital transformation often creates a competitive environment. Understanding this discrepancy can provide valuable insights into the real impact of digitalization on organizational culture and employee engagement.

Gyöngyvér Martin presented three key insights for effective digital transformation. First, he stressed that organizations should always have a clear technology strategy and a well-defined development plan. Second, he emphasized the necessity of building bridges between technology and people, facilitating understanding and helping to overcome resistance. Third, *Martin* advocated for involving end-users at the earliest possible stage of the implementation process. Early engagement fosters a

sense of ownership and openness towards new technologies, significantly enhancing the likelihood of successful adoption.

Concluding the discussion, *Dr. Csaba Otti* reinforced the notion that digitalization is inherently a human-centered process. He argued that stakeholders should be integrated into digital transformation initiatives as early as possible to cultivate commitment and engagement with the project. *Otti* also pointed out that HR professionals must adopt a business-oriented mindset to effectively support digital transformations. At the same time, they need to demonstrate tangible business value quickly, aligning technological advancements with organizational goals and delivering measurable outcomes.

Overall, the discussion highlighted the critical role of human factors in digital transformation. It emphasized that while technology offers powerful tools for enhancing productivity and efficiency, its success ultimately depends on thoughtful integration with human needs, strategic planning, and effective change management.

We believe that an engaging and meaningful professional dialogue developed within the various sessions of the conference. We hope that participants left the event with new perspectives and fresh ideas. We warmly welcome new attendees to the next event in our conference series, where we will continue to explore current issues in the field of HR.

If you would like to receive notifications about our upcoming events, please register at the following email address: hr.kutatasok@ppk.elte.hu.