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Human Resources Management in the Digital Economy of Central European Countries

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ABSTRACT

The development of the digital economy leads to a change in the institutional conditions of human resources management and an aggravation of the contradictions between technological capabilities and managerial responsibility. **The purpose** of the research is to identify and analytically comprehend the key contradictions (paradoxes) in the human resources management processes in companies in Central European countries caused by the dynamism of digital transformations. **The methodological basis** of the research is an institutional, critical and comparative analysis based on the synthesis and interpretation of statistical data, industry analytical reports and practices in HR outsourcing. The empirical basis of the study is the Visegrad Group countries (Czech Republic, Slovakia, Poland and Hungary), characterised by a similar trajectory of post-socialist transformation and comparable labour market models within the framework of the pan-European regulatory environment. **The results** of the study conceptually substantiate and empirically confirm the existence of structural paradoxes of human resources management, including contradictions between automation and the growth of managerial responsibility, algorithmization of decisions and lack of trust, standardization of processes and the need to take into account the local institutional context. The findings demonstrate that these contradictions are institutional in nature, cannot be eliminated solely through technological or process tools, and require institutional and analytical thinking, including strengthening the role of human-centered management.

Keywords: digital economy; human resources management; institutional analysis; management paradoxes; Central Europe; managerial responsibility

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INTRODUCTION

Contemporary academic literature perceives the digital economy not merely as a collection of information and communication technologies or digital markets [1], but primarily as the result of profound institutional transformations influencing the modes of coordinating economic activity [2], managerial decision-making [3], and the distribution of responsibility.¹

In this context, digitalisation signifies the transformation of economic and managerial processes based on data, algorithms, and digital platforms, including fluctuations in control mechanisms, the formalisation of managerial procedures, and the reallocation of duties among participants, which leads to a review of traditional management models.

From an institutional perspective, the digital economy is distinguished by the increasing role of formalised procedures, algorithmic support, and the digital enhancement of managerial decisions, as well as a deviation in managerial focus from hierarchical structures to hybrid forms of coordination, which combine elements of automation and human judgement [4, 5]. Concurrently, formal decision-making increasingly relies on algorithmic support systems, digital platforms, and standardised programmes, while their operational logic remains only partially interpretable for managerial actors. Legal and managerial responsibility for outcomes, however, remains with human decision-makers.

This contradiction is particularly evident in the sphere of HR management. Unlike financial or production functions, HR management is directly related to the human factor, social expectations, and institutional trust, which makes it one of the most sensitive areas of digital transformation of entities [6]. In the digital economy, the HR function simultaneously acts as the status of an object of technological optimisation and the bearer of responsibility for interpreting and applying algorithmic decisions related to people [7].

For the countries of Central Europe, these processes are aggravated by the specificities of post-socialist transformation and integration into the pan-European regulatory space. The digital economy in this region is shaped against a backdrop of persistent institutional heterogeneity, different maturity of labour market, and diverse level of HR infrastructure [8, 9]. This creates conditions for persistent structural contradictions between the demands for effectiveness, standardisation and the requirement of accounting for the local institutional context.

RESEARCH METHODOLOGY

One can assess the impact of the institutional context of the digital economy in the domain of company HR management, through the scale and structure of employment, including the sphere of HR management and personnel administration.

The authors have selected as the object of this research the Visegrad Group countries (V4), representing the Central European region: Czech Republic, Slovakia, Poland, and Hungary.

This study employs a method used in international practice: an estimation approach based on the ratio of HR personnel to total employment in the absence of official aggregated statistics on the number of HR and payroll specialists in the Visegrad Group countries.

According to analytical evaluations [10], the array for the sustainable functioning of entities is specified as 1 to 4.5 HR specialists per 100 employees. However, a more conservative lower threshold is applied under the circumstances of digitalisation and automation.

The scale can be estimated the scale of the HR professional community and payroll functions at approximately 290–300 thousand people (*Table 1*) on the basis of the employment data for the Visegrad Group countries in 2025 and application of a conservative coefficient of “one HR specialist per 100 employees” [11–13].² The given indicator allows for the assessment of HR management not

¹ URL: https://www.oecd.org/en/publications/going-digital-shaping-policies-improving-lives_9789264312012-en.html

² URL: https://www.oecd.org/en/publications/oecd-employment-outlook-2024_ac8b3538-en.html; <https://data.europa.eu/data/datasets/guww35r0wmuabimbdpguea?locale=en>

Table 1

The Labour Market Indicators of the Visegrad Group Countries, 2025

Indicator / Country	Poland	Czech Republic	Slovakia	Hungary	V4, total
Employed population, in million people	16.8	5.3	>2.6	4.7	29.4
Estimated number of HR / payroll specialists, thousands of persons	168	53	26	47	294
Predominant HR model	Hybrid	Hybrid model with outsourcing elements	Hybrid	Outsourcing for small and medium businesses	-
Digitalisation level of HR-processes	High	High	Medium	Medium	-

Source: the author's calculations by F. Busina are based [11]; URL: <https://data.europa.eu/data/datasets/guuw35r0wmuabimbdpguea?locale=en>; <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hr-monitor-2025>; <https://markwideresearch.com/europe-business-process-outsourcing-bpo-market/>; https://grantthornton.pl/wp-content/uploads/2022/10/Raport-outsourcing-2019-2025_eng-GB.pdf

as a support function, but as a significant institutional segment of the region's digital economy.

The indicators distinguishing the predominant HR organisation model do not represent direct statistical variables from official sources. The typology is used in *Table 1* to show hybrid model, hybrid model with outsourcing elements, outsourcing of HR functions in the segment of Small and Medium-sized Enterprises. It is based on analytical synthesis of data of the Organization for Economic Co-operation and Development [11] and Eurostat,³ as well as industry research by consulting companies (McKinsey [10], Grant Thornton⁴), and the findings of academic publications dedicated to the transformation of HR functions in Central European countries.

Such classification displays predominant institutional configurations of HR management, rather than formally measurable indicators. The given study employs it as an analytical framework for comparing the Visegrad Group countries.

The population indicator is used not as a demographic or social indicator, but as an institu-

tional framework to evaluate the scale of HR and payroll functions and their systemic role in the digital economy of the Visegrad Group countries.

Hence, the circumstances of active spread of digital technology throughout various economic sectors shape an institutional context in which HR management acquires a systemic significance and a scale comparable to other key functional areas, which were strongly influenced by digitalisation. A significant number of HR and payroll specialists, along with the growing role of digital tools in their activities, establish preconditions for the emergence of structural management paradoxes. Their analysis requires breaking through technocratic and exclusively process-oriented approaches.

RESEARCH FINDINGS

Digitalisation of HR services in the Central Europe

The digital economy in the Central Europe develops in the framework of accelerated technological adaptation coupled with persistent institutional constraints, arising due to the historic trajectory of post-Socialist transformation and integration into pan-European regulatory environment. Contrary to the more mature digital economies of the Western Europe, the Visegrad Group states have

³ URL: <https://data.europa.eu/data/datasets/guuw35r0wmuabimbdpguea?locale=en>

⁴ URL: https://grantthornton.pl/wp-content/uploads/2022/10/Raport-outsourcing-2019-2025_eng-GB.pdf

Table 2

Professional HR Services Market in Selected Central European Countries, 2025

Indicator / Country	Poland	Czech Republic	Hungary	Slovakia
HR services market volume, in million euros	520–560	294.2	102.9	65–75
Amount of operating entities	420–480	240	330	140–160
Degree of market concentration	Low / Moderate	Moderate	Low	Moderate
Predominant service model	Modular HR outsourcing, Recruitment Process Outsourcing (RPO), Shared Service Centers (SSC)	Comprehensive HR and payroll outsourcing	HR-outsourcing for small and medium businesses	Payroll-outsourcing and HR-administration

Source: compiled by the authors based on: Industry analytical reviews (Grant Thornton), expert assessment of the author F. Busina.

Note: The quantitative indicators for Poland and Slovakia are presented as estimated ranges due to the absence of comparable official statistics at the country level; the data are used for comparative institutional analysis.

an asynchronous pattern of digital transformations: adoption of technology occurs sooner than the introduction of stable managerial and institutional mechanisms for its use.

Such a discrepancy between the speed of technological adaptation and the level of institutional maturity is proven both by the findings of comparative labour market of the Visegrad Group countries and by the OECD analytical assessments, which indicate the differences in regulatory burden and quality of the region's institutional infrastructure [8, 9].

In the light of the findings from international statistical and analytical sources,⁵ recently, Central European countries evidenced booming usage of digital technologies in corporate processes, including administrative and support functions. However, the nature of digital transformation is uneven: distinction in economic structure, labour market maturity, and institutional infrastructure cause diversity in digital management practices among these countries in the region. Such diversity is the most evident

in the domain of HR management, which resides at the confluence of labour legislation, tax regulation, and requirements of personal data protection.

An important indicator of progressing digital economy (from an institutional standpoint) is the evolution and expansion of the professional HR services market. In Central European countries, this is not only a consequence of digitalisation but also a mechanism for entities to adapt to the regulatory and managerial complexity, which is associated with growing requirements to adhere to labour and tax laws, as well as standards of corporate governance.

More specifically, in the Czech Republic in 2025, the volume of the market for HR and payroll services is nearly €294.2 million, with approximately 240 functioning enterprises, whereas in Hungary, the volume of this market is about €102.9 million, with over 330 service providers. Such a ratio indicates a different level of concentration and institutional maturity of the HR services market in the region.⁶

⁵ URL: https://www.oecd.org/en/publications/oecd-employment-outlook-2024_ac8b3538-en.html; <https://data.europa.eu/data/datasets/guuw35r0wmuabimbdpguea?locale=en>

⁶ URL: <https://markwideresearch.com/europe-business-process-outsourcing-bpo-market/>; https://grantthornton.pl/wp-content/uploads/2022/10/Raport-outsourcing-2019-2025_eng-GB.pdf

Comparable official statistics of national level for other Visegrad Group countries does not exist. Therefore, their characteristics are presented as projected ranges, based on the industry analytical reviews, data provided by professional associations, and expert estimation (*Table 2*). Poland has the largest segment of the professional HR services market within the V4: in 2025, its volume is estimated within the scope of €520–560 million, with roughly 420–480 active entities. Herewith, the market is specific with a low/moderate concentration and high fragmentation, due to the dominance of modular HR outsourcing models, the development of shared service centers, and extensive use of recruitment process outsourcing.

Conversely, Slovakia has a relatively small market of HR services by volume: nearly €65–75 million, with about 140–160 active providers. Despite its small scale, the specifics of the market is moderate concentration and enhanced regulatory sensitivity. Hence, its payroll outsourcing and HR administration frequently operate as an institutional safety cushion between employers and state authorities.

In the context of institutional analysis, the volume of the HR services market is interpreted not in terms of population figures, but as an indicator of the complexity, professionalisation, and external formalisation of managerial functions under the circumstances of the digital economy.

Expanding market of professional HR-services triggers structural transformations within these servicing entities. Empirical research of consulting companies indicates that the digitalisation and automation of HR processes prompt to a decline in on-site HR departments, mainly due to the automation of routine functions and the transfer of some operations to external providers.

Concurrently, an observed growing demand for specialised HR-services generates a controversial dynamic in the market development (see *the Figure* below). Quantitative indicators

are presented as intervals in view of the consequence of differences in methodologies and availability of data for some Central European countries [10].⁷

The indicated paradox holds a fundamental institutional significance. On the one hand, digitalisation and outsourcing enable entities to boost productivity, cut transaction costs, and standardise HR operations. On the other hand, the employer bears legal and managerial responsibility for his decisions regarding his personnel, even if key functions are delegated to external providers or algorithmic decision-support is used. Subsequently, an institutional asymmetry occurs between technological rationality and managerial responsibility, which creates a basis for structural paradoxes in HR management within the digital economy.

LIMITATIONS IN THE USE OF MANAGEMENT APPROACHES UNDER THE INFLUENCE OF DIGITAL TRANSFORMATIONS

The development of the digital economy triggered the expansion of management practices based on the use of data, algorithms, and digital platforms. Scholars of academic and applied literature commonly view such approaches as tools for increasing the efficiency, transparency, and controllability of organisational processes. However, the empirical experience of organisational functioning indicates that digitalisation not only opens new capabilities for management models, the latter also encounter systemic limitations, which are particularly evident in the sphere of HR management.

Several approaches can be identified several dominant approaches in contemporary management practice of the digital economy. They are different in the logic of decision-making but are similar in their focus on tools, procedures, and performance indicators. In our viewpoint, these are the following models:

⁷ URL: <https://markwideresearch.com/europe-business-process-outsourcing-bpo-market/>; https://grantthornton.pl/wp-content/uploads/2022/10/Raport-outsourcing-2019-2025_eng-GB.pdf

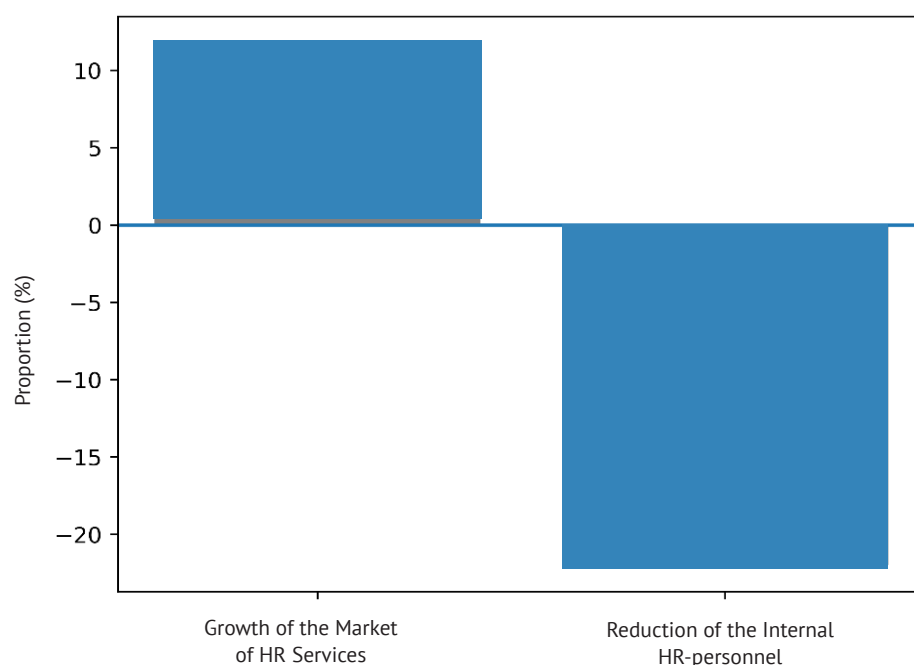


Fig. The Paradox of HR Digitalization in Central European Countries: the Growth of the Professional HR Services Market while Simultaneous Reduction of Internal HR Functions in Organizations

Source: compiled by the authors on the basis of generalisation of data: URL: <https://data.europa.eu/data/datasets/guuw35r0wmuabimbdpguea?locale=en>; <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hr-monitor-2025>; <https://markwideresearch.com/europe-business-process-outsourcing-bpo-market/>; https://grantthornton.pl/wp-content/uploads/2022/10/Raport-outsourcing-2019-2025_eng-GB.pdf

- technocratic approaches, oriented towards data and algorithms [4];
- process-standardised approaches, based on the regimentation and unification of procedures [12];
- economic-rationalistic approaches, focusing on cost optimisation and increased efficiency [13].

Technocratic and data-driven decision-making approaches are based on the premise that the use of big data and analytical models can minimise the subjectivity of managerial decisions and increase their formal objectivity. It is manifested in the HR management as the algorithmisation of recruitment, assessment, and employee development, as well as automated decision support systems.

The limitation of such an approach consists in the fact that data and algorithms are not neutral instruments. They are shaped on the basis of historical samples, normative assumptions, and

value priorities ingrained in their design and operation. Consequently, algorithmic decisions do not eliminate managerial subjectivity but institutionally redirect it, forming pre-determined trajectories for interpretation and choice.

Under these circumstances, the role of HR manager changes from an operator of a digital system to an analytical coordinator and managerial arbiter, who is responsible for interpreting results, reconciling algorithmic recommendations with legal norms and social context, and, finally, making the ultimate decision by allocating responsibility for its consequences.

The models of process-standardised management require attention to be focused on the formalisation, regimentation, and unification of managerial procedures. Digital platforms serve as tools in the digital economy to ensure process reproducibility, control, and accordance with regulatory requirements. In HR activity, these mod-

Table 3

Dominant Management Approaches in the Digital Economy and its Limitations

Approach	Managerial logic	Key limitation	Effect in HR
Technocratic	Objectivisation of decisions through data and algorithms	Non-neutrality of data and models	Formalisation of decisions, reduced trust
Process-standardised	Unification and control of processes	Ignoring context and informal practices	Rigidity of HR systems
Economic-rationalistic	Cost optimisation and efficiency	Curtailing of HR to a cost function	Higher responsibility risks

Source: compiled by the authors based on the results of the study.

els help enhance the manageability of personnel administration and reduce transaction costs. This is of special relevance for Central European countries, which experience a high regulatory load.

Concurrently, this process approach has a drawback: a low sensitivity to institutional and organisational context, which hampers accounting for informal practices, organisational culture and the specificities of labour relations. Economic-rationalistic management models in the digital economy are aimed to maximising efficiency and optimising costs. HR management is often regarded, within its framework, as a function subject to reduction or partially intended for outsourcing. Digitalisation confirms this logic, as it implies the automation of routine operations and process standardisation. However, curtailing the HR function to a cost-cutting instrument nullifies its institutional character and its connection to the long-term social, legal, and reputational consequences of managerial decisions (*Table 3*).

The breach between the growth of technological capabilities and the increasing complexity of managerial responsibility is a common limitation of the approaches under consideration. The formal rationalisation of managerial processes does not remove the need for human judgement, interpretation, and responsibility for decisions related to personnel. Within the digital economy, this breach generates the conditions for the emergence of persistent managerial paradoxes. Their analysis requires moving beyond the manage-

ment models of technocratic, process-oriented, and economic-rationalistic nature.

HUMAN-CENTRED MANAGEMENT AS A BASIS FOR RESOLVING INSTITUTIONAL CONTRADICTIONS IN THE HR DIGITALISATION

The abovementioned limitations of the dominant management approaches in the digital economy bring to the fore the issue of the role of the human being in the management system, not like general human values, but institutional responsibility and the interpretation of managerial decisions. Technological modernization reinforced by algorithmisation, standardisation, and digital mediation of these processes do not eliminate the need for human participation. On the contrary, it bolsters the significance of managerial judgement, responsibility, and the institutional verification of decisions. Herein, contemporary academic discourse helps to develop and reinforce the concept of human-centred management, regarded as an analytical framework for rethinking the managerial role of people in an algorithmically mediated digital environment [14].

One should emphasise that human-centred management is not an established or unambiguously interpreted concept. Different academic traditions allow using this term to denote various aspects of managerial activity: ranging from a focus on values and well-being of employees to the institutional fixing of responsibility for decisions made by means of digital technologies. A variety of inter-



pretations [11, 14] suggests that one should view this not as a completed management model, but rather as a subject of academic discourse emerging in response to the structural changes of the digital economy.

Recently, discussions on this topic have intensified under the influence of institutional changes related to increasing algorithmisation of managerial decisions and expansion of regulatory attention to issues of responsibility and interpretability of digital systems. Modern scholars pay more attention to mechanisms of its distribution, verification of decisions, and preservation of managerial control in an algorithmically mediated environment, rather than technological capabilities *per se*. This shifts the emphasis of the discourse from the efficiency of digital tools towards issues of trust, accountability, and the institutional sustainability of management systems [14].

In line with institutional standards, we propose defining human-centred management as a framework with the human being visualised not as an object of optimisation or a source of data, but as a subject with contextual knowledge, responsibility, and capacity to interpret managerial decisions. Unlike technocratic and process-oriented approaches, this framework approach focuses not on tools and procedures. It handles the managerial subject who makes decisions in the environment of uncertainty, normative constraints, and information asymmetry, including the regulated use of artificial intelligence technologies, as occurs in the European Union.

Objectively, the development of human-centred management becomes more pertinent due to the shift from industrial and technocratic models to more complex forms of socio-economic coordination, which is typical of the digital economy. In this environment, data and algorithms are visualised not as autonomous sources of managerial rationality, but as supporting tools of decision-making that require managerial interpretation and institutional verification. Herein, human judgement gains a system-forming relevance, since it precisely ensures the alignment of digital decisions with legal norms, social expectations, and the specific organisational context.

The approach is of human-centred particular relevance in the domain of HR management, where decisions influence not only economic indicators, but also the social, legal, and ethical aspects of functioning entities.

The algorithmisation of HR processes, involving recruitment, assessment, and development of personnel, intensifies the asymmetry between the formal rationality of digital decisions and the actual responsibility of managerial subjects for the outcome of solutions. Herein, this approach becomes not as an alternative to digitalisation, but as an institutional mechanism in charge of accompanying and comprehending digital decisions concerning people.

It is also important to understand in the academic discourse, that human-centred management in the digital economy stems from the need of institutionally embedding technologies into managerial processes, unlike humanistic concepts characteristic of earlier stages of management development, which were primarily oriented towards motivation and the psychological aspects of employee behavior. Within this concept, the human being is visualised, above all, as the bearer of responsibility and interpretative judgement in an algorithmically mediated managerial environment [15].

Hence, this type of management can be viewed as an analytical and institutional framework for overcoming the limitations of technocratic, process-oriented, and economic-rationalistic approaches without ignoring the achievements of digitalisation. Its academic significance involves not proposing a universal model, but shaping a conceptual space for analysing managerial paradoxes that arise in the digital economy. In this capacity, it establishes a theoretical base for further empirical research into the specifics of HR management in the countries of Central Europe.

PARADOXES OF DIGITAL HR MANAGEMENT IN COMPANIES OF CENTRAL EUROPEAN COUNTRIES

Digitalisation develops in the sphere of HR management in Central European countries along

with expanding new technologies and an increased level of standardisation of HR processes and not only. It also occurs with the formation of persistent institutional inconsistencies in the managerial practice. They are not the result of errors in the usage of individual tools, but rather reflection of a systemic divergence between the logics of the digital rationalisation of management and the institutional nature of decisions in the market of labour relations, responsibility, and trust.

Aggregated data from the market of HR-and-payroll-services in the Visegrad Group countries indicate the simultaneous development of opposing trends. On the one hand, there is a steady growth in the market for digital HR solutions, outsourcing models, and the share of automated operations in personnel administration. On the other hand, the managerial burden persists or intensifies in interpreting algorithmic decisions, complying with national labour norms, and maintaining institutional trust among employees. Thus, digitalisation does not simplify HR management but transforms its institutional complexity.

The experience of companies servicing external personnel administration and cross-national payroll-support in Central European countries illustrates that the automation of payroll calculations and related HR processes deals with a multi-level system of formalised control, role distribution, and personal responsibility. Even key stages of highly automated digital systems and platforms require the involvement of skilled experts responsible for data interpretation, verification of calculations accuracy, and ensuring compliance with national legal and institutional provisions.

This proves that digital solutions do not eliminate the human factor but institutionally secure its role within the HR management system. The practice under review is employed to illustrate the summary of typical managerial situations and does not pretend to become a representative case analysis of individual entities.

As a result, there emerge a set of the following persistent paradoxes:

- higher automation of HR processes leads to its concentration at the level of the employer and the managerial subject, instead of lower managerial responsibility;
- standardisation and unification of procedures of personnel administration enhance formal manageability and regulatory compliance, however, it altogether expands dependence on the local institutional context and professional expert judgement;
- economic efficiency of digital and outsourced HR solutions is related with risks of lower transparency and trust in labour relations, particularly within the framework of cross-border and centralised models of HR management.

The abovementioned contradictions are apparent in the aggregated quantitative indicators of the HR-services market and employment in the V4 countries (*Table 4*). They show a simultaneous surge in the volume of digital HR solutions and reduction of in-house HR departments, along with permanently high institutional complexity of HR management. The presented quantitative evaluations are of aggregated nature. Based on comparative data from international statistical sources and consulting studies, they reflect rather average trends in the Visegrad Group countries, than precise national indicators.

Hence, the experience of Central European countries demonstrates that digitalisation in the sphere of HR management provides not a linear effect of increased efficiency, but rather complex institutional consequences. The paradoxes of HR management in the digital economy reveal a fundamental contradiction between the logic of technological standardisation and the need for human interpretation and responsibility. This confirms the conclusion: further development of HR management in the digital environment requires institutional frameworks beyond technocratic and economic-rationalistic models of management.

This contradiction arises from institutional not technical nature, since it is linked to the asymmetry between formalisable algorithms and



Table 4

Quantitative Demonstrations of the HR Digitalization Paradoxes in the Visegrad Group Countries

Indicators	Quantifiable Dynamics (Estimate)	Institutional Effect
HR and payroll services market	Average annual growth ~10–12 per cent (2022–2025)	Growing dependence on external digital and outsourcing solutions
Number of in-house HR personnel	Average decrease of 15–25 per cent in large enterprises	Concentration of managerial responsibility
Automatisation of HR-processes	Share of automated operations exceeds 60 per cent	Formalisation of decisions and increased control requirements
Centralisation of HR-processes	Increase in the share of cross-border HR models	Increased coordination and regulatory burden

Source: calculations by F. Busina based on data from: <https://data.europa.eu/data/datasets/guww35r0wmuabimbdpguea?locale=en>; <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hr-monitor-2025>; <https://markwideresearch.com/europe-business-process-outsourcing-bpo-market/>; https://grantthornton.pl/wp-content/uploads/2022/10/Raport-outsourcing-2019–2025_eng-GB.pdf as well as generalisation of the practice of external personnel administration in Central European countries.

Note: quantitative indicators are presented as intervals related to differences in methodologies, observation periods, and data availability for individual B4 countries. The share of automated operations indicator is based on aggregated estimates from consulting studies by McKinsey and Grant Thornton, which reflect average HR process automation practices in large and medium-sized European organizations.

non-formalisable managerial responsibility. It is exactly within this gap that the paradoxes of HR management occur in the digital economy.

CONCLUSIONS

The reviewed study has demonstrated that the digitalisation of HR management in the environment of the contemporary digital economy does not simplify explicitly the managerial process, as was presumed with technocratic and economic-rationalistic approaches. On the contrary, the experience of Central European countries shows that institutional paradoxes persistently occur, followed by the divergence between the logic of technological standardisation and the socio-legal nature of HR management.

Analysing the institutional context of the digital economy, it turned out that HR management in the Visegrad Group countries is developing with a simultaneous surge of digitalisation of HR processes and outsourcing models, as well as increasing regulatory pressure. The scale of the

corresponding market and significant number of experts of HR and payroll functions affirm that HR management makes a significant segment of the digital economy, rather than just a support administrative function.

A survey of dominant management approaches has indicated their limitations for HR processes in the digital environment. Technocratic and process-oriented models prove inadequate for interpretation of the emerging contradictions, since they ignore the institutional aspects of responsibility, trust, and understanding of managerial decisions. In this context, the human-centred management is regarded not as a normative ideal or universal model, but rather as an analytical framework for capture-and-perceive tool of the role of a human being as a subject of responsibility in an algorithmically mediated managerial environment.

Empirical analysis of experience of HR management in Central European countries has confirmed persistent existence of HR digitalisation

paradoxes: growing automation and standardisation with increased control and managerial responsibility, as well as the economic efficiency of digital and outsourcing solutions combined with growing institutional risks related to transparency, interpretability, and trust in labour relations. They are systemic in nature and cannot be resolved solely by means of further technological development.

Therefore, it can be concluded that the further development of HR management in the digital economy requires moving beyond the paradigms of technocratic and economic-rationalistic man-

agement. A pertinent task for Central European countries is the development of institutional frameworks for management where digital technologies are used as decision-support tools, while the human being performs a key role in the interpretation, control, and distribution of managerial responsibility. In other words, the role of human-centred management becomes more influential.

The results of the given research provide a foundation for further empirical work and comparative analysis to examine the transformation of HR management in the framework of the digital economy.

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