

INNOVATIONS AS A TRANSFORMATOR OF HUMANS WORKPLACES

Akvilė Karaliūtė

Vytautas Magnus University, Kaunas, Lithuania
akvile.karaliute@vdu.lt

Abstract

Purpose – to analyze the possible consequences of technological change on workplaces.

Design/methodology/approach – literature review.

Findings – There is no consensus about the impact of innovations on workplaces both from theoretical and empirical points of view. One approach (Say, 2009; Schumpeter, 2017) suggests that technological progress leads to process and product innovations that lead to job creation. According to another approach (Wood, 2004; Feldmann, 2013), technological change can increase unemployment. N. Liso and R. Leoncini (2011) state that technological progress provides opportunities to get higher wages for skilled workers due to increased demand, while others (Piva et al., 2006) note that technological change negatively influences skilled and unskilled workers. As C. Alonso-Borrego and D. Collado (2002) noticed, technological change is one of the main sources for the creation and destruction of jobs. Creation and destruction of jobs affects the nature of work, economy, social inequality, and the existence of a middle class (Barnhizer, 2016). J. Schumpeter introduced the concept of creative destruction and D. Barnhizer introduced the concept of destructive destruction. These concepts reflect the idea about the possible consequences of innovations on workplaces.

Research limitations/implications – This research provides a systematic approach toward the possible consequences of technological progress on humans' workplaces. The research is based on an analysis of literature from 1990 to 2018.

Practical implications – The results of the research provide a systematic understanding about the technological changes and their consequences for the society. Empirical studies, based on a different level of analysis and using different exogenous and endogenous variables, provide that the impact of innovations on labor market parameters can be positive or negative. The perception of the consequences of technological changes are useful not only for the society but for companies as well

because people and companies must be ready to face the challenges and to create a culture of innovations in the workplaces together.

Originality/Value – Innovation and its impact on labor market is a topic of great interest because it reveals the tendencies and problems the labor market encounters due to technological change. The deep analysis of scientific literature reflects both positive and negative effects the labor market encounters due to innovations.

Keywords: innovations, workplace, destruction.

Research type: general review.

References

- Alonso-Borrego, C., Collado, D. (2002). Innovation and Job Creation and Destruction. *Recherches économiques de Louvain*, 68, 148–168.
- Barnhizer, D. (2016). The Future of Work: Apps, Artificial Intelligence, Automation and Androids. *Cleveland-Marshall Legal Studies Paper*, 289.
- Feldmann, H. (2013). Technological Unemployment in Industrial Countries. *Journal of Evolutionary Economics*, 23, 1099–1126.
- Liso, N., Leoncini, R. (2011). *Internationalization, Technological Change and the Theory of the Firm*. New York: Routledge.
- Piva, M., Santarelli, E., Vivarelli, M. (2006). Technological and Organizational Changes as Determinants of the Skill Bias: Evidence from the Italian Machinery Industry. *Managerial and Decision Economics*, 27, 63–73.
- Say, J. B. (2009). *A Treatise on Political Economy or the Production, Distribution and Consumption of Wealth*. New York: BiblioBazaar.
- Schumpeter, J. A. (2017). *The Theory of Economic Development*. New York: Routledge.
- Wood, J. C. (2004). *Karl Marx's Economics: Critical Assessments*. London and New York: Routledge.