



LUND UNIVERSITY
School of Economics and Management

Human Resource Management in a Digital Era

*A qualitative study of HR managers' perceptions of digitalization and its
implications for HRM*

By:

Camilla Bengtsson

Moa Bloom

May 2017

In partial fulfillment of the requirements for the degree of

Master of Science in Business Administration

Major: Managing People, Knowledge and Change

Supervisor: Anna Jonsson

Examiner: Sverre Spoelstra

Acknowledgements

Firstly, we would like to thank our supervisor, Anna Jonsson, for providing us with guidance and support throughout this project. Your insights have been very helpful!

We would also like to sincerely thank all our interviewees for taking their time to participate in this study. This thesis would not have been possible without you!

Additionally, we are forever grateful for our classmates peer-reviewing our work along the process. Thank you for your valuable feedback! And to everyone else who has supported us during this period of time – Many thanks! It means the world to us.

Happy reading!

Camilla Bengtsson & Moa Bloom

Lund, May 2017

Abstract

The rapidly increasing technological development and its ever-increasing proliferation results in digitalization of the society. This digital 'revolution' has consequences for contemporary organizations on multiple levels. Previous research focuses on consequences of digitalization for customer preferences, buying behavior, marketing and business performance. However, how it affects organizations internally has generally been neglected by the research field, specifically in regards to the consequences it implies for human resources managers. Consequently, the objective of this thesis was to delve deeper into human resource management in a digital era. More specifically, the aim was to get a deeper understanding of how digitalization has implications for HR managers. Through qualitative interviews, this thesis presents an in-depth study analyzing how HR managers of an organization facing digital transformation, perceive the implications of digitalization. The study illuminates how digitalization has implications for HR managers further than merely reducing and automating administrative tasks. Digitalization demands HRM to evolve, as it requires new HR competencies, new employment forms and agile HR processes. A key component in the managing of the implications of digitalization is the process of sensemaking when understanding what digitalization entails for the specific context. The contribution to the research field is conclusively an enlightenment regarding the indirect consequences digitalization entails for HR managers. Furthermore, this study shows that the implications of digitalization must be understood from a holistic perspective.

Keywords: *Digitalization, Human resource management, Sensemaking, HR competencies, New employment forms, Agile HR processes*

Table of Contents

1. INTRODUCTION	7
1.1 BACKGROUND AND PROBLEMATIZATION	7
1.2 THESIS OUTLINE.....	9
2. METHODOLOGY	10
2.1. RESEARCH APPROACH.....	10
2.2 RESEARCH DESIGN.....	10
2.3 DATA COLLECTION METHOD.....	11
2.3.1 <i>Semi-structured interviews</i>	12
2.3.2 <i>Case study</i>	12
2.3.2.1 <i>The case company: Digital Solutions</i>	13
2.3.3 <i>Sample</i>	13
2.4 DATA ANALYSIS.....	14
2.5 REFLEXIVITY.....	15
2.6 RELIABILITY & AUTHENTICITY.....	16
3. LITERATURE REVIEW	18
3.1 EVOLUTION OF HRM	18
3.1.1 <i>HR competencies</i>	20
3.2 FLEXIBLE HRM.....	23
3.2.1 <i>New employment forms</i>	23
3.2.2 <i>Flexible HR processes</i>	24
3.3 SENSEMAKING IN ORGANIZATIONS.....	26
3.4 SUMMARY OF LITERATURE REVIEW	27
4. ANALYSIS: EMPIRICAL FINDINGS.....	29
4.1 UNDERSTANDING DIGITALIZATION	29
4.2 EMBRACING THE CHANGING ROLE OF HRM	31
4.3 HR COMPETENCIES	34
4.3.1 <i>Traditional HR competencies not sufficient anymore</i>	34
4.3.2 <i>Digital awareness</i>	35
4.3.3 <i>Managing the unknown</i>	37
4.4 NEW EMPLOYMENT FORMS.....	40
4.5 THE NEED FOR AGILE HR PROCESSES	43
5. DISCUSSION	48
5.1 MAKING SENSE OF DIGITALIZATION	48
5.2 MAKING SENSE OF THE CHANGING ROLE OF HRM	49
5.3 MAKING SENSE OF HR COMPETENCIES	50
5.4 MAKING SENSE OF NEW EMPLOYMENT FORMS	52
5.5 MAKING SENSE OF FLEXIBLE HR PROCESSES	53
5.6 CONCLUSION OF DISCUSSION	54
6. CONCLUSIONS.....	56
6.1 MAIN FINDINGS.....	56
6.2 CONTRIBUTIONS AND FURTHER IMPLICATIONS.....	57
6.3 LIMITATIONS AND FUTURE RESEARCH	58
7. REFERENCES	59
8. APPENDICES.....	65
8.1 APPENDIX A: LIST OF FIGURES.....	65
8.2 APPENDIX B: INTERVIEW GUIDE.....	66

“(...) How am I supposed to dare to jump on a journey when I don’t really know where the train is heading? Or what stations we’re getting off at.”

Interviewee 1 at Digital Solutions

1. Introduction

1.1 Background and problematization

The accelerated technological development has revolutionized the society and continues to impact and change the way organizations work. It puts pressure on organizations and its people to adapt to the fast-changing world and the increasing amount of digital innovations. Digitalization has become a buzzword in the organizational press, and addressed as something organizations must embrace in order to stay relevant (e.g. CapGemini, 2013; Spitzer, 2014; Goldstein, 2015; Deloitte, 2016). According to Andersson (2017), transformation is required on all levels, in order to create a modern organization that has the ability for continuous change.

Although perhaps appearing like the next management fashion, digitalization impacts organizations on multiple levels. Computers will increasingly replace all manual work tasks (Cöster & Westelius, 2016). Intelligent computer programs such as Artificial Intelligence (AI), will also replace non-repetitive intellectual tasks (Makridakis, 2017), as the access to a bigger amount of information increases; commonly referred to as 'Big data' (Shah, Irani & Sharif, 2017). The traceability increases as more digital tools are connected to the Internet, 'Internet of Things', and thereby sending status information (Ebersold & Glass, 2015). These are only examples of how digitalization is currently taking place in society. The common denominator in this debate is that the digitalization permeates everything – everything that can be digitized, will be (Andersson, 2017). This not only changes how we communicate and interact as humans, but in turn also revolutionizes how organizations themselves operate, which implies big changes for any human resources manager (Larkin, 2017).

Palmer, Dunford and Buchanan (2017) illuminate an interesting example of how digitalization has implications for HRM. The global software company Adobe, decided to stop selling its products in physical packages and became a cloud-based software provider in 2011 (Smedley, 2014). For customers this meant downloading or signing up for a monthly subscription instead of receiving a CD in a box. For the employees on the other hand, this resulted in new ways of working and therefore a completely new role for the human resources management (HRM) function. Although perhaps not expected, the previously office-bound administrative HRM function had to change due to its cloud-based approach and guide the employees in

their new ways of working. Also, introducing this new technology demanded a need for HRM becoming business partner, where HR staff worked more closely to the senior managers and employees. The HRM role therefore became more varied and more people-oriented, designing diverse, challenging jobs to keep employees of the new generation engaged in their work. Furthermore, the HRM professionals had to change the way performance reviews were done, abandoning the annual review for continuous and immediate feedback through new systems and workshops (Palmer et al., 2017; Smedley, 2014). This example shows how HR professionals can be affected by digitalization, as the managing of human resources had to change to be able to support the new development of the company in a sufficient way.

Furthermore, El-Khoury (2017) argues that digitalization changes how employees in the workplace interact, what they expect from their employer and careers, as well as when and where work is conducted. In this sense, the development of digitalization impacts organizations internally on many levels, as it requires the adaption and development of new knowledge and new ways of working (Bondarouk & Ruël, 2009). Also, Heracleous (2003, p. 105) emphasizes the importance of investing in the development of required new skills “(...) especially if the change involves new technology and new roles”. Digital technology is for example continuously changing how organizations hire, manage and support people (Bondarouk & Ruël, 2009). As a key part of the core mission of HR managers is to attract, support and develop the employees in line with the overall organizational strategy (Watson, 2009), we believe it is interesting to look further into what consequences digitalization has for HR managers. It is evident that digitalization of society puts immense pressure on organizations and its people, but the research regarding how it is experienced by HR managers in practice is limited. In light of the above, the aim of this thesis is to get a deeper understanding of how digitalization has implications for HR managers.

As with many contemporary organizational topics, consulting firms are quick to produce reports on how to manage the latest trends. Some of these articles state that today's HR-work involves simplifying and improving the employee experience by integrating digital technology, which has resulted in the new approach called 'digital HR' or 'e-HRM' (e.g. Spitzer, 2014; Deloitte, 2016; CapGemini, 2013). A large part of the previous academic research on the topic focuses on how technology has streamlined HR processes such as planning, recruitment and performance management through the use of digital tools (e.g. Obeidat, 2015; Voermans & Veldhoven, 2007; Stone & Dulebohn, 2013; Bondarouk & Ruël,

2009; Yuslizaa & Ramayah, 2012; Marler & Fisher, 2013; Grant & Newell, 2013). However, this approach of ‘digital HR’ or ‘e-HRM’ has a stronger focus on the digitization of HR processes, whereas the significance of this thesis consists of how, in a broader sense, digitalization in the society and organizations, creates challenges for HR managers.

Bell, Lee and Yeung (2006) argue that the digitalization and the use of technology has resulted in further implications for the role of HR, its capabilities and competencies. Furthermore, Larkin (2017, p. 58) argues “the change to the HR department that digital technology will bring will be all pervasive and omni-directional throughout every company”. Consequently, digitalization affects HRM further than just through facilitating daily administrative work. This leads us to the following research questions:

- *How do HR managers make sense of digitalization?*
 - *What do they perceive as the main challenges?*

An in-depth case study of how HR managers perceive digitalization and its implications for HRM will expectantly facilitate the clarification and understanding of the challenges and the potential changes it implies – which will be relevant for both practitioners as well as scholars.

1.2 Thesis outline

In **Chapter 2**, the methodology is presented and discussed, including our research approach and research design. Furthermore, we present the data collection method as well as the data analysis method. We then discuss and reflect on the credibility of our study. Followed by the methodology chapter is the literature review in **Chapter 3**, which will be used to facilitate the understanding and analysis of the empirical material. The empirical material is then presented in **Chapter 4** following a structured thematization, based on the most prominent themes in our empirical material. The chapter will illustrate how HR managers in the case company make sense of digitalization and what they perceive as the main challenges. Followed by the empirical analysis is our discussion in **Chapter 5**, in which we present and analyze our empirical findings in relation to the previous research in the literature review presented in chapter 3. To conclude this study we present our main findings in **Chapter 6**, in which we also discuss our contributions as well as practical implications. This chapter ends by a reflection of the limitations of our study, which then leads to our suggestions for future research.

2. Methodology

In the following section we will explain our research approach and research design, and why it is relevant to this study. Furthermore, we present our data collection method as well as the data analysis method. Finally, we discuss and reflect on the credibility of our study.

2.1. Research approach

To explore and answer our research questions, we needed to reflect on our research epistemology and establish how we would gain knowledge about this topic. Philosophical assumptions have practical implications for the research design (Creswell, 2007). As the aim of this study was to get a deeper understanding of a phenomenon, namely the implications of digitalization for HR managers, we embraced an interpretive approach. This ultimately means that we as researchers take part in the analysis of research data (Alvesson & Sköldbberg, 2009). Furthermore, the interpretative research tradition assumes that reality is socially constructed, through individual subjective realities (Creswell, 2007). Since our intention was to understand the interpreted reality of HR managers, we used a hermeneutical basis for our research. Bryman (2011) explains hermeneutics as an interpretative epistemology, meaning that the researcher interprets and understands the reality from the participants' perspective. Through a social constructivist view, our intention was to interpret and make sense of the HR managers' meanings and views of their situation. In other words, the epistemological assumptions implicate that we minimized the distance between us and the object of study (Creswell, 2007). Consequently, our intention was to gain knowledge about the implications of digitalization for HR managers, by understanding the subjective descriptions of our research participants, rather than finding objective truths.

2.2 Research design

In order to create a deeper understanding of the topic, we used a qualitative, abductive approach. Alvesson and Sköldbberg (2009) explain that abduction is a mix of induction and deduction, which contributes to a deeper understanding of the research object. Moreover, an abductive approach enabled us to use empirical data as a starting point for the analysis, but with theoretical pre-understanding as a supporting backbone. The theory chapter emerged over time and was adjusted and improved in line with the empirical data, as the abductive approach allowed us to commute between theory and empirics. This reduces the risk of the

theories and empirical data shaping each other (Alvesson & Sköldbberg, 2009). In order to demonstrate the work process of this thesis a figure is infused below (see fig. 2.1).

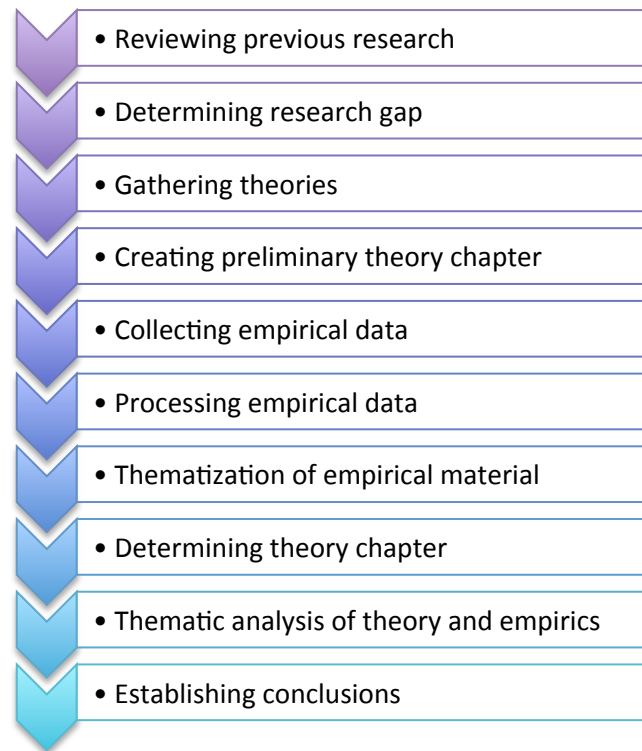


Fig. 2.1. Own figure of our research design

We began our research process by reviewing the literature in the field, in order to find a research gap. Thereafter, the collection of relevant literature was conducted which created a preliminary theory chapter. These theories also helped to shape the interview guide. Furthermore, the empirical material was collected and processed. In accordance with the empirical material, the chosen literatures were again revised to then be determined.

2.3 Data collection method

This study is based on primary data. This implies data that was collected specifically for the purpose of the study (Alvesson & Sköldbberg, 2009). Qualitative interviews were deemed the most relevant method of data collection in order to reveal the implications of digitalization for HR managers. Other data collection methods such as surveys, observation and document analysis were excluded, as it would not have provided relevant material for this study, in regards to quality and depth.

2.3.1 Semi-structured interviews

We conducted 12 qualitative semi-structured interviews with HR managers. This implied in-depth interviews of approximately 60 minutes each, where predetermined questions covering certain themes were asked as well as follow up questions regarding the interviewees' perceptions and understandings. Alvesson and Deetz (2004) argue that by using a less rigid interview structure, one can enhance a deeper discussion. The intention with the choice of our interview structure was to bring forth more profound information significant for the research aim. According to Bryman (2011) it is important to stay flexible when conducting qualitative interviews to not risk the interview becoming too rigid. We chose semi-structured interviews in order to avoid restricting the interviewees' responses, creating a more flexible process allowing the interviewees to highlight their views and opinions.

During the interviews we also made sure to be aware of the various dimensions of interpretations. Prior to and throughout the interviews, primary interpretations are made, which to some extent will control the continued direction of the interview (Alvesson & Sköldbberg, 2009). We tried to make sure that all relevant themes were covered as well as follow-up questions asked, which was why we divided the work between us as researchers. One of us focused on asking the main questions and the other focused on mentally analyzing what was being said, what themes were interesting to engage in follow-up questions, and making sure that the overall interview was successful. Furthermore, it was important to consider the fact that the interviewee also makes interpretations. As Alvesson and Sköldbberg (2009, p. 289) state, "the interview is an expression of the interpretive work of the subject both in relation to relevant aspects of life and in connection with the interview situation". Thus, we as researchers had to be aware of the fact that the expressions of the interviewee depend on relatively unconscious ideas about us as interviewers and the context of the interview. Moreover, all the interviews were recorded after asking for permission, in order to facilitate a proper analysis. The interviews were conducted in Swedish, but the material was translated to English after transcribing the recordings. Due to anonymity requests, the participants of this research are numerically presented as 'Interviewee #' throughout this thesis.

2.3.2 Case study

This thesis is based on a case study. According to Merriam (1994), a case study research design is suitable when the aim is to create a deeper understanding of a phenomenon, and

specifically useful when the research questions indicate a need for a new research direction. As we wanted to understand how HR-managers make sense of digitalization and what they perceive as the main challenges, it could be compared with what Kvale (1996, p. 1) explained as understanding “the world from the subjects’ points of view (...)”. Thus, interviews are an appropriate way to collect empirical data in order to understand people's experiences and their meaning of it (Kvale, 1996). Therefore, by using an interpretative approach, we interviewed HR managers in our case company and analyzed their perceptions of digitalization and its main challenges.

2.3.2.1 The case company: Digital Solutions

The HR-managers of this case study were all employees of Digital Solutions. The name is a pseudonym created to maintain the anonymity of the case company. Digital Solutions is a global organization, which is a part of a multinational home furnishing retail group. Furthermore, it is a large-scale matrix-organization consisting of several functions working with business development, project management and IT solutions. The main responsibilities of the organization is to make sure that the solutions they have for the retail group are up and running, as well as continuously maintained and developed. The retail group is expanding from cash-and-carry to multi-channel, meaning that they are developing more channels for the customers to buy from besides their physical warehouses. Their aim is to become the world's leading multi-channel home furnishing retailer. Furthermore, they continue to expand their warehouses globally. Digital Solutions consists of approximately 1500 people, but are now expanding and recruiting heavily as they are the key engine behind the success and possibilities for future expansions of the retail group. To meet the future, the retail group is investing in the development of a digitalization strategy, focusing on how to become a successful multi-channel retailer. Digital Solutions has a leading role in the on-going digitalization journey, enabling the multi-channel development through their digital solutions.

2.3.3 Sample

The selection of a suitable sample for the study consisted of a request to interview HR *managers*. This was based on our interest to get a deeper understanding of how digitalization has implications for HR managers. Hence, our chosen sample was strategically targeted which according to Bryman (2011) and Alvehus (2013) implies finding people who fit the research aim, as it is intended to create equivalences between the research aim and the chosen sample.

Similarly, Merriam (1994) explains that a targeted sample is based on what the researchers aim to understand and discover. As qualitative research does not aim to create statistical knowledge, there is no purpose of randomly selecting research participants (Ryen, 2004). Based on our sampling frame and aim, our contact person from the case company provided us with contact details to several HR managers. Furthermore, the sample consisted of HR managers from different levels, departments and functions within the organization in order to achieve a wider, more representative perspective.

2.4 Data analysis

Our strategy was to analyze the empirical data continuously as we collected it. When reviewing our empirical data we determined specific themes (see fig. 2.2), which form the basis for our analysis. As the aim was to get a deeper understanding of how digitalization has implications for HR managers, the starting point was to understand the perceptions of digitalization as a phenomenon. Thereafter, the theme of the changing role of HRM was determined, which resulted in three additional themes: HR competencies, new employment forms and flexible HR processes. Below, a model of these identified themes is presented.

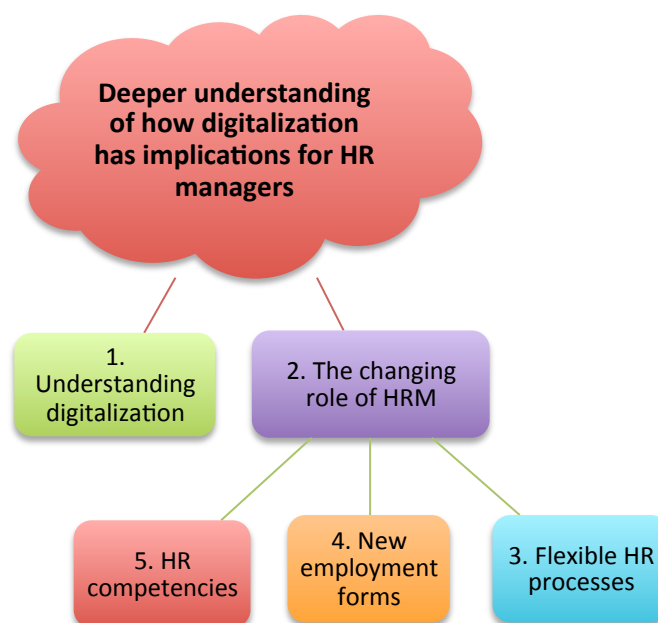


Fig. 2.2. Own figure of our thematization

According to Alvehus (2013) the process of thematizing involves systematically categorizing the empirical data in prominent themes. The purpose of thematization was to facilitate our further analysis and discussion. Embracing an abductive research approach, our chosen themes derived from the most prominent themes in the empirical data, in connection to previous research.

An important aspect to keep in mind when analyzing data is, according to Alvesson (2003), to continuously keep an open mind and critically reflect upon the findings in order to foster new perspectives and angles in the analysis. We embraced a hermeneutical approach in our research, using interpretations as a key factor throughout the data analysis. However, we made sure to consider various possible issues. As discussed by Alvesson and Sköldberg (2009), it is important to be aware of potential problems such as misunderstandings, ambiguities and inordinate influence of the interviewer.

The primary interpretation resulted in an excerpt of transcribed empirical material. The next step in analyzing our data was to take a closer ‘in-depth’ look at the transcribed empirical material from the interviews. According to Alvesson and Sköldberg (2009) this can be called ‘secondary interpretations’ and is the main part of the data analysis, when the researchers further interpret and explore the data on a more in-depth level. When conducting these secondary interpretations, it was important for us to analyze the nature of the statements. As Alvesson and Sköldberg (2009) argue it is vital to separate actual objective conditions with the interviewees’ subjective conceptions, ideas and motives – which can be a tricky task when the interview theme revolves around the interviewees’ perceptions. On a third level, it is interesting to analyze the expressions of language and words; discourse, as it provides valuable insights about the subject (Alvesson & Sköldberg, 2009). Therefore, when analyzing our data we tried to note in what manner the interviewee expressed his or her motives, in order to facilitate a more in-depth analysis on a secondary interpretational level. This opened up the possibility for us to be more reflexive in our data analysis, which allowed us to alternate between the different levels of interpretation without losing awareness of the different dimensions.

2.5 Reflexivity

As the aim was to show the research participants’ view of their reality, we needed to reflect upon our own biases and implicit assumptions. According to Alvesson and Sköldberg (2009),

this is called research reflexivity, which in qualitative studies can be performed in several ways. Continuously reflecting reduces biases influencing the analysis (Morrow, 2005). Therefore, we have continuously reflected on our experiences and reactions when conducting the interviews. This helped us to some extent to make sense of our own implicit assumptions and biases. Moreover, we asked follow-up questions during the interviews to clarify the meaning of our interviewees' responses in order to ensure that we interpreted their reality as close as possible to what they expressed and their meaning of it. This means employing a more passive role as researchers during the interviews (Morrow, 2005). In this sense, we put great emphasis on presenting the participants' view of their reality, as we reflected on our own assumptions and biases, and to a large extent tried to ignore these when analyzing the empirical material. By doing this, we aimed to enhance the fairness of our study, which Morrow (2005, p. 255) further explains as “(...) representing participant viewpoints equitably and avoiding lopsided interpretations that represent the biases of the researcher or only a few participants”.

2.6 Reliability & Authenticity

Validity and reliability are two useful concepts to ensure high research quality. Reliability in this sense refers to trustworthiness (Bryman & Bell, 2011), which we aim to achieve by writing this methodology chapter. Our intention was to accurately and in detail describe our research approach, how we collected the empirical data as well as how it has been processed and analyzed. Additionally, our interview guide is attached to the appendix of this thesis to increase the credibility of our empirical collection by sharing what questions we used to reach the findings of the study. When reviewing our empirical data, we chose to do it separately and individually, as we wanted to minimize the risk of influencing each other's interpretations of the material. Furthermore, both authors have contributed equally when writing the analysis to reduce the risk of our subjective interpretations influencing the findings.

The concept of validity is more useful in quantitative studies, as it is aimed at measuring data (Bryman, 2011). Therefore, it has been argued that authenticity is more credible when it comes to evaluating the quality of a qualitative study (Lincoln & Guba, 1985; Guba & Lincoln, 1994 in Bryman, 2011). Thus, the second part of our quality assessment instead refers to the authenticity of our study. Authenticity is closely related to trustworthiness as it implies how the research reflects the participants' stories (Sandelowski, 1986, in Whittemore,

Chase & Mandle, 2001). Moreover, authenticity refers to whether the researchers present all perspectives of the studied object and thus the realistic picture (Bryman & Bell, 2011). We have paid close attention to authenticity when conducting this study by remaining true to our participants as well as maintaining our awareness of their various stories and experiences. Bailey (1996) argues that one can identify conflicting realities when paying attention to authenticity, which is a further reason why we chose to place great emphasis on our interviewees' stories. As we were interested in how HR-managers make sense of digitalization and what they perceive as its main challenges, we always made sure to listen carefully to their stories in order to identify similarities and differences in their various perceptions. We did this to facilitate our analysis as well as for enhancing the authenticity of our study, as we constantly tried to maintain objectivity in our interpretations. As previously stated, we documented our empirical material carefully through recording, transcribing and writing notes during the interviews. This facilitated our analysis and – it can be argued – strengthened the authenticity of our results.

3. Literature Review

The following theories will be used to facilitate our understanding and analysis of the empirical material. First, theories of HRM and the technological development are examined in order to understand how and why it has developed over time and what HRM is today. Secondly, we delve into theories regarding HR competencies, new employment forms and flexible HR processes, as these were the most prominent themes in the empirical data. Finally, theories of sensemaking are presented as we argue they will be beneficial for the analysis.

3.1 Evolution of HRM

In order to get a deeper understanding of how digitalization has implications for HR managers, it is necessary to first define the meaning of HRM. According to Watson (2009, p. 9), human resources can be defined as “(...) the efforts, knowledge, capabilities and committed behaviors which people contribute to a work organisation as part of an employment exchange (...)”. Further, HRM can thus be explained as the managing of human resources in order to enable the organization to develop (Watson, 2009). Moreover, Bredin and Söderlund (2006) explain HRM as practices concerning the management of the relationship between the employees and the organization in which they work.

The HR function within organizations has changed through time. In order to understand why HRM has evolved, it is necessary to understand why organizations change. According to Palmer et al. (2017), organizations change for a number of reasons, due to either external or internal pressures. External pressures can be ‘next big thing’ fashions, demographic changes, hypercompetition such as disruptive high-pace innovations, or geopolitical developments such as globalization or climate change for example (Palmer et al., 2017). These external pressures also include the development of new technologies and changes in customer preferences. The common denominator here is that these drivers for change emerge from the external environment in which the organization function (Palmer et al., 2017). Consequently, organizational change will affect the HRM function since “(...) change outside to HR, will require change within HR” (Ulrich, 1997, p. 176).

Initially, HRM concerned transactional and traditional activities such as daily routine tasks, recruitment and performance assessment. However, the function of HRM has developed to include more transformational, value-adding activities such as employee development and talent management. The role of HRM has evolved from being the caretaking and record-keeping 'personnel department' in the 20th century, to becoming a strategic business partner focusing on employee development and talent attraction in the 21st century (Thite & Kavanagh, 2009). The development of HRM embracing a business-partner role has led to the development of the term strategic human resource management (Watson, 2009). Strategic HRM is defined as "a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques" (Salaman, Storey & Billsberry, 2005, p. 4). Compared to the traditional HRM, strategic HRM, according to Watson (2009), is essentially strategic as it takes the whole organization into account and has a long-term focus, in comparison with line management, which focuses on short-term departmental performance. In this sense, strategic HRM focuses on and is responsible for organizational learning and development of the present and future competencies needed (Watson, 2009).

Moreover, the development of Information and communication technology (ICT) has undeniably played a key role in the evolution of HRM (Thite & Kavanagh, 2009). ICT has affected the role of HR in multiple ways. Besides enabling financially more effective HR work, it primarily frees up time and resources needed for engaging in more strategic work (Thite & Kavanagh, 2009). ICT systems have thus been a crucial tool in the development of HRM. According to Roehling et al. (2005), the impact of HR technology increasingly leads to activities – previously performed by HR professionals – now being done by managers. This is possible as all the information regarding employee statistics, costs, performances et cetera is accessible on the manager's desktop. As a result of the growing involvement of managers and other departments such as communication and IT in the delivery of HR work, the authors state that this development is blurring the definition of the HR role and the boundaries for the HR function (Roehling et al., 2005). Thus, HR practices today are not only conducted by traditional HR professionals.

Consequently, the technological development has played a major role in the evolution of the HR function. It affects HRM in a much broader perspective than the use of IT systems

(Hempel, 2004; Thite & Kavanagh, 2009). Apart from being a direct force of change through digitization of specific HR processes, the technological development also has indirect effects on HRM. As Hempel (2004, p. 164) stated: “(...) it is thus necessary to consider how HRM influences and is influenced by all forms of technology”. As HRM is not the driving force for the development itself, it results in a need for HR professionals to catch-up and evolve in order to enable support throughout the organization (Hempel, 2004). Along with the technological development, the role of HRM is redefined and transformed, which according to Thite and Kavanagh (2009), implies a demand for new HR competencies. Thus, in order to be able meet the changes digitalization implies, we believe it is interesting to look further into what the necessary HR competencies might be. Therefore, the next section of our literature review will present theories regarding the competencies of HR professionals.

3.1.1 HR competencies

As established above, the HR function has changed over time. According to Ulrich et al. (2007), HR professionals need to develop new competencies in order for them to successfully manage their changing roles and responsibilities. Furthermore, Bell et al. (2006) argue that besides adding a valuable dimension to the organization, the strategic role of the HR function also reshapes the competencies required for successful HR work. According to the authors, this means that HR professionals need to move beyond the administrative skills toward expertise in strategic business partnership, change management, technology and employee advocacy (Bell et al., 2006). Hence, the following part of this literature review will discuss competencies and more specifically investigate what previous research has defined as necessary HR competencies.

Nyhan (1998) states that competence development is a strategic issue for management because higher levels of competence are seen as key to flexibility and competitive advantages. When defining what competence is, Ellström and Kock (2008) argue that a general agreement seems to be lacking in regards to what is actually meant. Two distinctions have been made concerning the definition and meaning of competence, where one implies a kind of human capital that can be translated into performance. The second defines competence as the requirement of certain tasks (Ellström & Kock, 2008). In regards to HR competencies, Ulrich et al. (1995, p. 474) explain that HR professionals “(...) demonstrate competence when they add value to their business”. HR competencies help organizations compete, as the value

propositions of HR professionals include ideas, programs and initiatives, which are beneficial for the business (Ulrich et al., 1995). When exploring the development of HR competencies throughout history, Vosburgh (2007) states that a shift has occurred in terms of the HR professionals being able to create motivation through monetary incentives, whereas today they are more involved in strategic partnership. More specifically, this means that the competencies of HR professionals have evolved from merely analyzing employee performance and motivating improvement and development of the staff, to a larger focus on advising line managers as well as being involved in top management. Consequently, a major competence of HR professionals today is being able to make the whole organization more effective and thus integrate HR work into critical business issues (Bondarouk, Marsman & Rekers, 2014). Furthermore, Ulrich and his colleagues (e.g. Ulrich, Brockbank & Yeung, 1989; Ulrich et al., 1995) have developed a framework for HR professionals, which consists of three primary competencies: knowledge of the business, delivery of HR practices, and change management. Building upon this research of Ulrich et al. (1989; 1995), some researchers argue that as HR work is getting continuously digitized, an additional primary competence should be included, namely technological expertise (e.g. Schoonover, 2003; Hunter, 1999). These four competence areas are further defined as the core competencies of HR professionals (Bell et al., 2006) and these will be discussed in the following sections.

Business Knowledge

To begin with, HR professionals should have knowledge of the business, which is explained as “(...) the financial, strategic, and technological capabilities of an organization” (Ulrich et al., 1989, p. 315). In this sense, HR professionals need to understand the business vision and be able to align HR strategies with it. Moreover, HR professionals should be able to see their business from a customer’s perspective as well as understand how the organization can be profitable (Yeung, Woolcock, & Sullivan, 1996). Consequently, knowledge of the business can be explained as HR professionals taking on a more strategic partner role (Bell et al., 2006).

HR Expertise

The second competence domain concerns “(...) the extent to which an HR professional delivers high quality HR practices” (Ulrich et al., 1989, p. 316). In other words, it implies that HR professionals need to be experts in their area with regards to recruitment, compensation and employee relations et cetera (Lawson & Limbrick, 1996). Furthermore, Bell et al. (2006)

argue that HR professionals' expertise in the functional HR areas determines credibility and respect among employees, which is required in order for them to be able to deliver innovative HR practices that add value.

Change Management

The third competence area in the framework of Ulrich and his colleagues (Ulrich et al., 1989; Ulrich et al., 1995) discusses the importance of HR professionals being change agents. This derives from the fact that companies today operate in fast-changing environments, which in turn places greater emphasis on HR professionals' ability to create organizational readiness for change (Bell et al., 2006). Lawson and Limbrick (1996) concluded that HR processes need to be designed and implemented in a quick and successful manner, aligned with the overall organizational direction when facing fast-paced organizational and technological change. This in turn requires HR professionals to "(...) build a shared urgency for change, to involve and motivate key stakeholders, to share the significance of the change, and to promote needed change to ensure measured success" (Lawson & Limbrick, 1996, p. 71). Similarly, Cianni and Steckler (2017) argue that leaders need to take responsibility to drive the digital transformation of the organization, and to explain what it entails as well as its potential. Thus, leaders' language of the digital journey will strengthen its value and importance. Moreover, HR professionals need an ability to foresee and detect new developments and initiate organizational flexibility accordingly (Svoboda & Schröder, 2001).

Technology Expertise

The last HR competence area refers to HR professional's technology expertise (Hunter, 1999; Schoonover, 2003). As information technology continuously replaces the way traditional HR activities are conducted, HR professionals need to develop new technology competencies to successfully deliver their services to employees (Bell et al., 2006). Moreover, if HR professionals have knowledge of the use of digital tools to collect data, it allows them to turn it into strategically valuable information (Lawler & Mohrman, 2003).

However, Hempel (2004) argues that it is vital that HR professionals are not blinded by the emphasis on digital tools transforming administrative HR work. As technology is transforming organizations and work on a broader level, HR professionals must support the development throughout the organization. Thus, it demands a broader understanding of the

impact of technology on the organization in a wider perspective (Hempel, 2004). Similarly, Ebersold and Glass (2015) argue that disruptive innovations impact organizations immensely, requiring an agile, flexible preparedness for adaptation. The accessibility of information, communication and Internet is increasing widely. For example, the phenomena of Internet of Things (IoT) results in almost everything providing data or control, through being connected to the Internet. Such disruptive technologies might result in an explosion of domino effects across organizations, which is why, staying updated regarding the technological development is highly important for leaders (Ebersold & Glass, 2015).

3.2 Flexible HRM

In order to accommodate accelerated technological developments, organizations are required to continuously revise the competences, but it also enables new forms of organizing work (Bryson & Karsten, 2009). An adequate adaptability to manage change is perceived as a requisite for organizational survival. Traditional forms of HRM embraced the ‘hire-and-fire’ approach to flexibility through strictly utilizing labor in order to maximize efficiency and cost-reduction. However, modern HRM utilizes labor more efficiently, enabling changeability through for instance flexible forms of organization and work processes (Bryson & Karsten, 2009). To explain flexibility, the authors state that “at the most abstract level we could say that flexibility refers to the capacity to adapt to change” (Bryson & Karsten, 2009, p. 39). In the coming sections, theories exemplifying specific forms of HR flexibility will be explored.

3.2.1 New employment forms

In a broader perspective, the technological development enables new forms of organizations, since it allows new ways of interaction and communication. Bredin and Söderlund (2011) discuss the emergence of project-based organizations as a result of the technological development. They also discuss approaches on how to flexibly meet the technological development. Project-based work structures can be described as temporary, problem-solving networks of diverse specialists (Bredin & Söderlund, 2011). One facilitating aspect stimulating the use of fixed-term contracts, is for instance incertitude concerning the future (Bryson & Karsten, 2009). Similar to project-based ways of structuring organizations is the rise of the “gig economy”. The gig-economy comprises short-term independent freelance

work on project basis (Kuhn, 2016). However, some independent freelancers renew their contracts with the same employer (Connelly & Gallagher, 2006).

Although working in projects implies new opportunities for individual workers – as they can meet new people and gain knowledge in novel areas – Bredin and Söderlund (2011) state that it creates new challenges for HRM as to their current function and how they should be organized. This new emerging project-based way of structuring organizations leads to a reduction of the conventional concept of stable employment (Bredin & Söderlund, 2011). Bredin and Söderlund (2011, p. 143) further state that “a number of empirical investigations have indicated that project forms of organizing trigger a higher degree of contracting”, which obviously impacts HR activities such as recruiting and staffing. Moreover, it has been argued that project-based ways of organizing work leads to a paradoxical situation for HR managers as they are expected to be strategic partners in the long-term, and at the same time, are expected to solve short-term issues (Raja et al., 2013).

Furthermore, new employment forms will have an impact on HR activities such as competence development and career paths. It raises questions regarding which work roles are needed (Bredin & Söderlund, 2011). Also, project-based organizing of work creates difficulties for HR professionals regarding activities such as compensation and evaluation. As project-based work implies that people are working on temporary contracts, it is difficult to evaluate their performance and thus also to compensate accordingly (Bredin & Söderlund, 2006). Stulgienė and Čiutienė (2012) in addition argue that it can be challenging due to the fact that most HR practices are developed for stable and more permanent employments, rather than for continuously changing project-based contracts. The increase of such flexible employment forms exemplifies the changing work environment as a result of technological developments. This has implications for the work conducted by HR managers. Hence, the following section will present theories regarding flexible HR processes.

3.2.2 Flexible HR processes

Besides impacting employment forms, digitalization has consequences for the way work practices are conducted. How HR work is conducted, needs to be adapted to the fast changing development. Ulrich (1997) states that agility is more important than accuracy when facing change, requiring HR professionals to develop and implement thoughtful programs and learn

to adjust accordingly. Although disruptive technological innovations are not new, mere recognition of the high pace and unpredictability is not sufficient. As stated by Ulrich (1997, p. 175) “In a world of high amounts of change, reducing risk means acting without full answers but having the capacity to adjust mid-stream”; implying the need for an agile working approach.

Sekhar, Patwardhan and Vyas (2016) argue that a dynamic business environment impacts on an organization's performance. This in turn creates a need for organizations to be flexible, which involves the abilities to respond to changing competitive environments (Attia, Duquenne & Le-Lann, 2014). In line with this, Sekhar et al. (2016, p. 57) points out the role of HR in an organization's flexibility and state that “HR flexibility as a form of strategic flexibility helps a firm to preserve and develop its competitive advantage”. Hempel (2004) argues that the technological changes require HRM to create people processes and tools to support these changes. “HR must become a champion of management processes that encourage innovation and creativity” (Hempel, 2004, p. 166). Moreover, flexible HR practices influences employees' performance through encouraging participation and involvement by allowing them to improve their own job. It is even argued that flexible HRM is needed in order to modernize organizational processes (Sekhar et al., 2016).

Performance management processes are a key component in HR work. However, they have been criticized for being costly, time-consuming and not worth their potential benefits (Fisher & Sempik, 2009). As established above, the high-speed technological development results in yet unknown implications for organizations, causing insecurity. However, according to Fisher and Sempik (2009) insecurity is a common phenomenon in organizations. Performance management processes are often used as means to convince other organizational members of their contribution. Furthermore, the authors state “(...) HR departments argue that their function is critical to the performance of the organisation but worry about whether they have instituted enough programmes and policies to convince others of their work's worth” (Fisher & Sempik, 2009, p. 190). Performance management is thus often used to reduce those demands and anxieties trying to convince other organizational members to justify HRM's claim to have a strategic impact (Fisher & Sempik, 2009).

As a means towards creating a capacity for change, reducing cycle time of HR processes can be an important step (Ulrich, 1997). As discussed by Cappelli and Tavis (2016), an increasing

number of organizations are abandoning their traditional forms of annual performance appraisals with more informal, frequent check-ins between managers and employees. According to the authors, the main reason for this is due to the mismatch between the traditional annual performance evaluations and the ever-changing organizational objectives. Moreover, Cappelli and Tavis (2016) state that many organizations operate in highly competitive markets driven by rapid innovations, which results in future demands and objectives that are continually changing. Therefore, traditional systems built for assessment and accountability for past and current practices are no longer viable, as argued by the authors. Furthermore, when focusing on the development of the staff, several firms put their employees in control of their own growth in the organization. However, Cappelli and Tavis (2016) argue that this requires valuable feedback from managers, for instance through frequent, informal check-ins, rather than annual reviews.

3.3 Sensemaking in organizations

So far in the literature review, theories regarding the evolution of HRM and what it implies for HR managers have been presented, as well as theories on HR competencies and flexibility. As the aim of this study will be reached through exploring the perceptions of HR managers, we believe theories about sensemaking will be beneficial for the analysis. Therefore, this last section of the literature review will address the concept of sensemaking in organizations.

According to Weick, Sutcliffe and Obstfeld (2005, p. 409) sensemaking broadly means "turning circumstances into a situation that is comprehended explicitly in words and that serves as a springboard into action". More specifically, sensemaking is the continuous process in which people organize, label and categorize events in an understandable manner. For instance, when facing ambiguity or uncertainty, people strive to understand the situation through the interpretation of hints from the surroundings and using these as the basis for making sense of an event. In simple terms, it is about structuring the unknown (Weick, 1995).

In the context of organizations, sensemaking takes place as a central activity and is triggered by issues, events or situations for which the meaning and/or outcomes are equivocal (Maitlis & Christiansson, 2014). According to Weick et al. (2005), sensemaking and organization are interdependent and must thus be understood in connection to each other, as organization is an effort to order human actions and direct them toward specific objectives through institutionalizing certain rules and meanings (Tsoukas & Chia, 2002). A vital part of both

organization and sensemaking is that it is performed in order to make sense of ambiguous events, and this sense is also, as stated by Weick et al. (2005, p. 410), depicted “back into the world to make that world more orderly”. When such events occur and are perceived, they disturb the flow, dislocate the understanding of the world and create ambiguity regarding how to act (Maitlis & Christiansson, 2014).

Weick et al. (2005) argue that sensemaking has some distinctive components and must be understood as a continuous process rather than a linear event. Disorder is the starting point for sensemaking, which can be seen as a part of an abundance of inputs that surround organizational members. In this sense, it begins where the person perceives and interprets certain signs for closer attention. Thus, noticing particular discrepancies from the ordinary is an initial phase in sensemaking. Furthermore, in order to stabilize the stream of experience, the events or signs are labeled and categorized. The manner in which these events are first projected instigates the process of organizing, as the events are labeled in a sense that allows a common understanding.

Moreover, Weick et al., (2005) state that sensemaking is strongly affected by retrospection, as interpretations are made based on previous experiences and observations. Sensemaking also relies on presumptions to guide actions, and thus about connecting the abstract with the concrete. It is also important to recognize the fact that it is influenced by an array of social factors, including previous discussions with other organizational members, for instance. As the first question of sensemaking is ‘what is going on here?’ the following is ‘what do I do next?’, which refers to acting or talking, to give meaning to the disorder. Finally, communication is a paramount element of sensemaking, which takes place through interaction and talk, and thus rely on the resource of language (Weick et al., 2005). According to the authors, trying to make sense of how other people make sense of things is complex yet routine in the organizational context.

3.4 Summary of literature review

In light of the above literature review, HRM has developed through time going from transactional activities to more transformational, value-adding activities. In other words, HRM has evolved from being described as the personnel department in organizations, to become more of a business partner. Previous research shows that IT has played a crucial part in this evolution. This in turn has led to the concept of strategic HRM which place higher demands on HR competencies in order for HR professionals to successfully manage their

changing role and responsibilities. Four recognized areas in which HR professionals need competencies were presented as follows: business knowledge, HR expertise, change management and technology expertise. Furthermore, this literature review has presented theories regarding flexible HRM, showing that organizational durability is perceived to be contingent on the ability to adapt and cope with change. In the sense of HRM flexibility, theories on new employment forms as well as flexible HR processes were presented. Finally, theories regarding sensemaking were illuminated, showing the complexity of components involved in making sense of moments of uncertainty. The objective with the literature review is to facilitate for conducting the analysis and to address the aim of this study: *to get a deeper understanding of how digitalization has implications for HR managers.*

4. Analysis: Empirical Findings

In the following chapter, the empirical material is presented and analyzed. As presented in the methodology chapter, the analysis will be structured based on the thematization of the empirical material: understanding digitalization, the changing role of HRM, competencies of HR managers, new employment forms and flexible HR processes. By analyzing our empirical findings, this chapter will illustrate how HR managers at Digital Solutions make sense of digitalization and what they perceive as its main challenges. The cited quotes are not presented in a specific order but instead used to best represent our findings.

4.1 Understanding digitalization

In order to get a deeper understanding of how digitalization has implications for HR managers, it was in our interest to first explore how HR managers make sense of digitalization. When approaching the topic of digitalization, a clear majority of the HR managers referred to it as an on-going revolutionary change that organizations must handle. It was described as a gigantic change in society, which according to one of the HR manager creates a need for HRM to evolve:

I see it as a gigantic change. I would compare it to those bigger changes that have been in society. (...) from the industrialization to technological revolution in the early 2000's and now it is the next wave with digitalization in society. (Interviewee 2)

The above quote discloses that digitalization in the organization is perceived as an external pressure for change, 'the next big thing' deriving from disruptive high-pace innovations in society. Moreover, when discussing how the digitalization is perceived, another HR manager stated that:

Digitalization is not a certain type [of change] as how I see it, it is taking over. There is no way back. (Interviewee 6)

As previously established and as this quote also shows, the digitalization was perceived as a disruptive change that requires the organization to adapt whether they like it or not. The prominent perception among the HR managers was that the driving force for change has its

foundation external to the organization, as a result of the digitalization of society. This was for instance discussed by the following HR manager:

Yes but now we see completely other customer behaviors, that is coming, yeah but just look at oneself, how my own shopping patterns and customer behavior have changed the latest years, and it is radical. We have become more comfortable in the sense that you don't want to go and stand in line in the store on a Saturday. (...) And that means a revolution for us, which we at first were a bit careful about, but not anymore... we have now realized that the retail group has to change its foundation, the channels our customers buy from, what options we give, we must diversify much, much more than we have done before. So digitalization has an enormous impact on our organization. (Interviewee 6)

Overall, all the HR managers seemed to be aware of the fact that digitalization impacts organizations on many levels as it is perceived as a revolutionary change in society. Besides changing customer preferences, some described it as a more overall behavioral change in human behavior, and that digitalization is more of an enabler that changes behaviors, communication and interaction with customers as well as employees:

Digitalization for me is the changed behaviors happening all around society, in the people in society based on the technological development. (Interviewee 10)

Digitalization for me is really not, well sure it is technology, but really a big change - a behavioral change. Of course with the help of technology, (...) we will work differently, meet our customers, how they get information. In my HR role, towards the employees, how we work with them as well. For me that is a huge change. One should not focus on the technology itself, but the behavioral change. That is the biggest challenge. (Interviewee 11)

This shows that the perceptions of changed customer preferences are only a small part when viewed through a wider lens, since the digitalization changes overall human behavior, meaning that *everyone* is affected. In this sense, the organization is adapting to the changing customer behaviors through implementing the multi-channel program, but also need to create an awareness of how it changes behaviors internally in the workplace. This in turn can be interpreted as HR managers needing an understanding of digitalization and its widespread impact. However, it was evident that the perceived meaning of digitalization and what it implies is quite ambiguous and unclear. It also became evident that this leads to further challenges as it creates uncertainty among both employees and managers:

I believe a more important part of digitalization is when you say change (...) how we create clarity, motivation and security when something is unclear. Whatever it is! How am I supposed to dare to jump on a journey when I don't really know where the train is heading? Or what stations we're getting off at. (Interviewee 1)

(...) But I think it is important to meet this, I think many take it for granted, that one knows what this is about. The challenge will be to meet this kind of... to really make people understand. What does digitalization mean? (Interviewee 11)

The above quotes further disclose that this uncertainty affects HR managers, both in their own way making sense of digitalization and its implications, but also in their mission to support the employees in understanding what digitalization really means for the organization. The overall impression we got from the interviews was that the HR managers showed a strong awareness of the fact that the fast-paced technological development in society affects organizations in many ways as it creates pressures for change. As established above, this in turn implies that HRM also needs to adapt to these changes. Based on this, the following section will further discuss our empirical findings in regards to what HR managers perceive as the main challenges of digitalization.

4.2 Embracing the changing role of HRM

One of the more prominent themes addressed by the HR managers during the interviews was the changing role of HRM. Almost all of our interviewees' responses in the discussion of the evolution of the HRM function was that its role today has a much stronger business focus, and that being a strategic partner in the organization is indisputable. For instance, one of the HR manager stated that:

(...) My experience is that we have gone from barely being included in discussions, to actually having a place in the management team. From being perhaps fifth priority in a business agenda, to be at least number two. It has been a fantastic journey! HR's focus before, if anyone would have asked HR ten years ago they would probably have said that we facilitate recruitments. (...) Today I believe people would say they work with organizational changes, trying to find the competencies of the future. From reactive to more proactive. (Interviewee 2)

This shows an example of how the HRM role has changed, regardless of what forces lay behind that evolution. Although digitalization is not the sole reason, HRM is evidently and increasingly gaining a more strategically important role in the organization. Perhaps it has evolved even further as the interviewees described the role of HRM as much broader than before. For instance, when talking about the role of HRM, one of the HR managers stated that:

[It's to] provide [the company] with talent, that is kind of the overall process. And it is everything from what kind of needs we have in the organization? What do we need in the business onwards? For example, what does digitalization mean? (...) And what does that mean for us regarding competence? (...) So it is about integrating the business in these types of issues, and both support, be ambassador, be a pain in the ass, a sounding board, coach and enabler. (Interviewee 1)

As the above quote illuminates, the role of HR managers in the case company is of a broader and of a more strategic character, supporting the organizational development. Moreover, many of the interviewees emphasized integrating people and business as equally important. Almost as if HRM as 'business partner' is old news, and should be obvious by now. Similarly, one of the HR managers stated:

My responsibility as HR manager is to support both within business and people. Because if the people part is not working we won't be able to do any deliveries, and the opposite. It is really connected for us. I was at a conference in Stockholm six months ago where they talked about 'business partner' and I just felt please stop. We talked about that ten years ago. I don't want to use the word 'business partner' because it is obvious. (Interviewee 7)

This raises questions whether or not we should avoid saying 'HR as business partner' as the strategic role of HRM in the case company goes without saying. However, one of the HR managers stated that while HRM is viewed as a strategic partner, it is still not being prioritized with respect to digitalization in the same way as other parts of the organization:

Somewhere I believe that if we jump to HR as an area we are still a support to an enabler. I still think we are a business partner (...) but it is nevertheless still... we invest more in the multi-channel-program than in the latest HR tools. (Interviewee 1)

Although the organization clearly has not invested in digitizing processes through the use of the latest HR tools, several HR managers stated that digitalization has further consequences

for HRM as it creates ripple effects that HR managers need to adapt to. On the other hand, a majority of the HR managers acknowledged the importance of and the need for digitizing HR processes through the use of digital tools. Both in order to be more agile and effective, but also to meet the preferences of future employees:

(...) since HRM as a concept was created a long time ago, so HRM is in some way integrated in the industrial revolution, my image of it, where it was shaped and everything was created to be suitable there. I don't think we have moved in step with this development in society. And therefore I believe, [HRM] needs to take its stride. (Interviewee 2)

We must make sure that our people processes are agile and faster. It has to be adjusted to the coming workforce. (Interviewee 10)

If we don't work good enough with it, it will also affect how attractive we are as an employer and our ability to recruit. It will be mirrored in many of HR's core processes (...). (Interviewee 3)

The empirical data show that the HR managers perceive digitalization as affecting HRM on further levels beyond the potential use of digital HR tools. It puts pressure on the role of HRM to evolve as it changes how organizations work. Our overall impressions of the interviews were that a majority of the HR managers expressed that the digitalization has led to challenges as well as possibilities for the role of HRM. Changing customer behavior and demands, new ways of communication and interaction clearly demands HRM to evolve accordingly to support these changes throughout the organization. However, during the interviews we got the impression of an overall feeling that HR has been left behind in this development. In connection to this, a majority of the HR managers discussed their own HR competencies and that these need to be developed as well, in order to be able to meet these changes. However, the need for developing the HR competencies is, according to one of the HR managers, often neglected:

Sometimes we forget that HR professionals need to develop their competencies as well, instead we are always expected to support and develop the organization. But sometimes we don't even know ourselves what it is about, and if I don't take responsibility of my own competence development and understanding of what it is about, how am I supposed to support my organization and be able to help them through this change? This is the biggest challenge. HR is a super important part in this. At the same time, we need to make sure that we get the time to understand and develop our

own competence so that we can support the organization. (...) If we don't get a chance to make sense of the situation, it will be a challenge. (Interviewee 11)

The above quote clearly shows that when changing things within the organization, such as a digital transformation in this case, it is evident that HR managers need to understand what is going on and what is required of them. However, the interviews showed that the HR competencies need to further develop showing that HRM needs to catch-up with the technological developments. Thus, their HR competencies need to be reviewed and developed as well, as they – as strategic business partners – are expected to support changes throughout the organization. The next section of our empirical analysis will therefore analyze the HR managers' perceptions of their HR competencies.

4.3 HR competencies

4.3.1 Traditional HR competencies not sufficient anymore

The interviewees' generic perceptions were that the competencies of HR professionals are subject to higher demands and challenges today compared to what the traditional HR work required. Furthermore, some of the interviewees stated that not all HR professionals today have a traditional HR background. One of the HR managers for instance, explained that everything is done with a clearer business drive:

It [HRM] has definitely changed, based on that we have many HR people who do not have a classic HR background. (...). Which is a big difference if you compare to traditional HR people, who were very driven from an HR perspective... HR as HR for the sake of it so to say, which does not add the value it needs to add. So, I think it has changed to that it now has a clearer business drive and a clearer link into the business in a way. And that everything that gets done, gets done with a better thought. (Interviewee 12)

This quote also shows that the traditional HR competencies are not sufficient anymore with regards to its added value. Thus, a possible interpretation is that relevant HR competencies have developed accordingly, with the development of HRM. Another HR manager further explained that:

We need to be able to go in and coach leaders and coach employees, rather than to sit and fill in Excel sheets and so on. (Interviewee 6)

This quote exemplifies that the development of HR work places higher demands on HR professionals and their competencies. As established in the previous section regarding the changing role of HRM, several HR managers explicitly expressed that their focus as HR managers consists of a more strategic perspective, working mainly with questions about the future. As they are today part of the management team in an organization going through a digital transformation, the need for understanding digitalization is further reinforced. One of the HR managers further stated that the digitalization has influenced which people have been recruited to HR positions:

In some positions, yes. For example, we have actively been looking for someone who has been involved in a digital transformation. (Interviewee 4)

Based on this, it is evident that digitalization in society, alongside the digital transformation that the retail group is going through, has influenced the competency required for HR professionals. As interpreted from the above quote, digital experience of the person who is recruited to HR is highly valued, rather than an importance of having a traditional HR background.

4.3.2 Digital awareness

Besides valuing experience in digital transformation when recruiting HR professionals, some current HR managers were given the opportunity to join an internal project called the ‘Digiboost’. The aim of this project was to inspire HR managers about the possibilities of digitalization and its impact on HRM. ‘Digiboost’ was carried out through 8 different sessions over the course of six months, consisting of meetings with start-up companies, attending lectures and workshops. The purpose of this project was explained as to boost their HR competencies:

I think it is necessary to review what skills are needed in the HR area as well, of course. Amongst other things, this competence improvement we do, Digiboost, as we call it, has lead to that the participants see completely new perspectives and have learned a lot and have great respect for new opportunities. (Interviewee 9)

As this statement indicates, it is evident that HR competencies need to be reviewed in order for them to correspond with what is required of them. Also, it is clear that they are aware that

developing the competencies of current HR managers is important, as the project ‘Digiboost’ was created. The aim of ‘Digiboost’ was to develop the ‘digital awareness’ of existing HR managers as well as increase their understanding of the potential of digitalization for the organization. This shows that there have been efforts to invest in boosting the ‘digital awareness’ amongst HR managers. It was widely appreciated based on the general expressions of the participants, which argues for a continued investment in this type of initiatives.

Moreover, when discussing the need for new competencies, none of our interviewed HR managers could explicitly outline what specific HR competencies are required today. However, as established above, they all perceived that their work has changed as well as the role of HRM, which in turn requires improved HR skills. To begin with, all HR managers emphasized the importance of understanding the business as to successfully conduct HR work. A clear majority of the interviews revolved around challenges regarding competencies the business will need in the future, which in turn requires that HR professionals truly understand the business when recruiting new talents. In this sense, we perceived that digitalization does influence HR work in terms of how HR professionals understand the need for new competencies within the organization. For example, one of the HR managers explained the following as a focus-area right now:

We are now working very hard to identify the digital skills we need in the company. So, we look at, what key competencies do we have that we are going to care for and strengthen, and what new digital skills we need to get more of or like to build from scratch, data analytics can be an example of that. (Interviewee 6)

Based on this, one can interpret that digitalization creates a need for new competencies within the organization. It is evident that digital skills are highly valuable, in order to succeed in being competitive as well as taking advantage of the potential that digitalization offers. It might not include that HR managers in particular need these specific digital competencies, but more importantly they need an understanding of what other skills are needed in the organization to successfully develop the organization and its business. However, according to the following HR manager, this can be a challenge for HR managers:

You must understand the manager's business. It may be a challenge for us in HR, especially within such a specific organization as Digital Solutions, to have sufficient understanding. (Interviewee 10)

This shows how HR managers are expected to gain further knowledge beyond their own HR work as to be able to successfully meet the organization's needs and expectations. This can be perceived as another example of how the expectations and demands of HR professionals are increased and have developed towards a more strategic perspective. Knowing which competencies the organization will need in the future, as well as questions regarding how and where they will be found and recruited from, are highly relevant to today's HR managers at Digital Solutions.

4.3.3 Managing the unknown

As the general perception of digitalization is that it is difficult to grasp, it is evident that HR managers today face an increasing amount of challenges. Although they all state the importance of themselves understanding the change, they cannot explicitly explain how it changes their work in practice. Nevertheless, we learned that digitalization influences HR work to the extent that HRM is perceived as an enabler for the digital transformation that the retail group is going through. One of the HR managers further explained:

It is important to be able to enable change from today's position. Be able to provide the organization, identify what you need to do. (Interviewee 5)

Based on this, it is evident that the HR managers are required to take on the role as change managers. It was described that they need to enable the digital transformation through supporting the managers in the organization. However, given that the future is not straightforward, we wonder how managers can navigate in these circumstances and know which competencies are required. Similarly, another HR manager expressed the challenge regarding how to know in which direction to go:

I work a lot with guiding principles, what is that? We do not know exactly but that is the way we are going and we have our guiding star in it, and then I need to guide everyone based on that. (...)
Rather than perhaps having a detailed plan for all the steps. (Interviewee 1)

This quote shows that the nature of HR work is ambiguous in regards to not knowing how to drive through this change, or if there even is an end to it. This can furthermore be interpreted as an example showing that HR professionals need a broader understanding, or even updated competencies, in order to lead a change such as a digital transformation. Furthermore, some of the HR managers described that they perceive digitalization as difficult in the sense that it is not a 'from-to change' when compared to other organizational changes, which in turn leads to further managerial challenges:

The biggest difference is probably that digitalization is not a from-to change. (...) It will be on-going, we cannot say when will we be done with it, we will never be done with it. (...) And I think that is difficult for many of us. We talk about managing the unknown, leading in uncertainty. How do I handle it as a leader? (Interviewee 8)

I think we need to meet this in another way, and not follow our structured change process. I don't think it will last, it will not be enough. It is about meeting this on another level. (Interviewee 11)

These quotes show examples of the general perceptions of how digitalization implies new challenges for HR managers. As the second quote indicates, they cannot follow any structured change process. Aligning the above quotes, the perceived irrelevance of following a structured change process can be considering the fact that digitalization is viewed as an ongoing phenomenon. As established in the beginning of this empirical analysis, digitalization is perceived as an on-going change, which organizations need to adapt to. Although facing difficulties knowing where this will lead, HR managers are aware that they need to manage it somehow, and chose to compare it with managing the unknown. As a way to practice 'managing the unknown' one of the HR managers described that a leadership exercise was practiced through an outdoor hike:

It was a lot about this, what happens when I don't know how far we are going? How do I keep up my energy level? Are we going up two more hills? Am I running a little now, what if I can't manage the next hill? But I don't know if there is a next hill. Here it's a bit scary, I don't know my next step. I can't see where I'm going. We had some leadership questions regarding this, what happens when you don't know yourself how to manage? What happens with my group? (Interviewee 8)

The leadership exercise can thus be interpreted a metaphorical example of how to increase awareness and understanding of how managing the unpredictable affects both managers and

employees. In connection to this, a clear majority of our interviewed HR managers emphasized that their HR processes will be conducted differently in the future, and thus it was evident that HR managers need to be aware of the developments in their own area. Several of the HR managers explicitly stated that for example recruitment, as a result of digitalization, is continuously changing and will probably be conducted differently in the future:

It [digitalization] affects many HR processes; recruitment, our ways of working, our internal digital recruitment tools. For example, how do you see that from when we recruit globally and receive 1,000 applications, get those down to 10 people who will be interviewed, what is the potential for digitization? We are talking about possibilities for solving tasks from a distance, running video interviews that are automated, et cetera. (Interviewee 2)

Well, I imagine that in the future there is no person sitting and interviewing you when you are looking for a job here, but instead you are just talking digitally with a 'chatbot' or whatever it is called. And then I do not have to sit and interview, then I can do something else. (Interviewee 4)

These quotes are examples of how a majority of the HR managers perceived their work being digitized in the future. We observed that all interviewed HR managers showed an interest for digitalization and how it will facilitate for HR work in the future, but it remained unanswered as to who or what will drive through this change and implement new digital developments. When discussing digitalization with the HR managers, our perception was that most of them were waiting for some change to happen, although a majority of them defined digitalization as an on-going revolutionizing change happening everywhere. In this sense, one can question whether they truly understand which potential digitalization has in relation to their work, in regards to what is expected of them and how they can take advantage of it. Similarly, one HR manager highlighted the fact that nobody takes the initiative although the possibilities are out there:

I think we have the wrong focus, we are waiting for the technology to be in place. I do not really think we are mature to respond to this as I said before, for me it is a behavioral change. (...) It is not on the agenda when we have HR meetings; the digitalization, what does it mean? We may adapt to it unconsciously. But more in a structured way we do not. (Interviewee 11)

As discussed above, most of the HR managers seemed interested in digitalization and the advantages it brings, although they could not specifically express how it changed their competency as HR managers. That can be explained by the previous quote stating that their

focus might be wrong in regards to deliberately considering what digitalization means for the organization. As the previous statement shows, the HR manager seemed a bit worried that the company does not use the advantages that digital technology offers. On the other hand, the same interviewee emphasized that curiosity is crucial:

It is probably more about curiosity than the competence itself. It will go a bit hand in hand. For example, if I would worry about my own skills development and employability, then I would have more and more to do with my ability to keep up with digital development than my skills in the HR field. (...) If we come to new ways to work and I do not get it, then I will not be employable in the end. But I think, above all, it's about curiosity, not your technical know-how, but it's going hand in hand too. If you are curious, you would like to take care of working in new ways. Not the technology itself, but how can we work differently. (Interviewee 11)

As this statement indicates, curiosity is perceived as more important than the actual competence, and is approached as a responsibility of the HR managers when they lack the right competency. It is their own responsibility to keep up with the new digital developments. Thus, it might be that as long as there is an interest in digital developments and innovations, the specific technical skills might not be the most relevant for HR managers. Nevertheless, an understanding of how the technological development has consequences for the organization on a broader level is vital, as the next section will show.

4.4 New employment forms

When some of the HR managers raised the discussion about how digitalization changes human behavior, the topic of new employment forms surfaced. It was further perceived as an implication for HRM, as it implies new ways of organizing work, which the HR managers of Digital Solutions are not used to. Based on the fact that the younger generation is used to technology in a completely different way, HR manager 4 claimed that future talents will probably prefer not to be employed in the conventional manner. This in turn results in new challenges for HR professionals as they need to develop new employment forms in order to be an attractive employer and successfully benefit from the knowledge of the younger generation. One of the HR managers claimed that:

I think millennials not necessarily want to be employed, but then we still need to get their skills if we benefit from it. And then we have to contract them in some other way. Then you may be in a project for 6 months and then you may do something completely different for another company, or

are free and with your family, what do I know, and then you work 8 months again. That is how I think it will be! Not for everyone of course, but to a much greater extent than we have today. (Interviewee 4)

Likewise, another HR manager emphasized that future employees will have other preferences:

You may not even be employed somewhere, you may work with assignments in different companies, perhaps within a certain area. I think you want more and more freedom, not HR only, but overall. Maybe I just want to work half a year and then I want to go abroad, to surf. Haha... I don't know. (Interviewee 7)

Both these above quotes indicate that HR managers perceive that future employee preferences will have an increased impact on HRM. As they need to meet future preferences, a clear majority of the interviewees emphasized new employment forms as a way to adapt. On one hand, one can argue new employment forms are an efficient way to adapt to and meet individual needs. On the other hand, we question which impact this will have on the organizational culture and its values if people would only be there temporarily. In addition, project-based employments was explained as a way to facilitate both company and individual development:

We as individuals change our needs too. (...) So all of this affects of course how we can attract people and make them grow and make them want to be here over time, it's not like entering and waiting for the gold watch anymore, but you want to do something fun too and develop. And we will see other forms of how we will associate with other people who can help develop the company as well as develop themselves. Maybe there will be permanent forms of employment, maybe there are more project-based employments, maybe I will be a freelancer in some way, you know. (Interviewee 9)

All these previous quotes show that the HR managers perceive that the attitude towards stable employment today has changed, which obviously creates new challenges for HR managers. People expect more and have higher demands today, and HR managers therefore need to be aware of and focus on how they can make the company attractive to talents. Besides attracting new talents, one of the HR managers further explained that new employment forms can be a way to enhance employee retention:

Then we are discussing this with employee retention (...), what does it take to get people to stay in the business? But even there we see that it changes, because of work forms, people want to be more free and want broader role descriptions and then be able to work with different parts of a process or different types of assignments. (...) So I think we look pretty much, we are considering a lot about this with employment forms and how we can customize our offer. (Interviewee 6)

Even here it is evident that the HR managers perceive that people who used to be employed might want to be more free in their work. Again, this can be perceived in line with the HR managers' perceptions of digitalization as a change in human behavior. As digital tools enable people to learn and interact in completely new ways, people might reconsider their conventional work roles and instead try something new. However, another HR manager points out the importance of more distinctive contracts in order for these new employment forms to succeed, especially since the organization is operating in a global environment:

I can imagine that if you are setting up such an agent agreement or whatever you should call it, it may also need to be quite strict. What is it exactly that we expect from you to deliver to us from e.g. Bangladesh? And when will it happen and how will we follow up? How should we communicate? So there maybe you need to clarify it more than I do if I can run into Calle here in the corridor and can talk... at the same time you have to think about, well you are sitting in Bangladesh and I'm here and we'll work together, and in that sense we need to find digital solutions for communicating and driving it forward. (Interviewee 4)

Based on this, one can assume that digitalization enables these new forms of employment, because working and communicating globally would not be possible without digital tools. On the other hand, one can question whether digitalization is the only driving force behind new employment forms, or if other driving forces such as globalization and competitive business environments make organizations desperate for new skills and ways of working. Nevertheless, digitalization is a clear enabler as it allows organizations to communicate and cooperate through, for example, digital high-quality meetings. When asked about how these kind of new employment forms would work in practice, one of the HR managers explained:

It's a way of looking at talent in the future, I think, some people might be here on short-term contracts in Sweden. Some Swedes are on short-term contracts elsewhere in the world. Some from retail in Italy etc. We have a much more global way of looking at it I think. We have a part of it today but I think even more, we have these movements internally but we do not have the eco system in place. (Interviewee 2)

Furthermore, another HR manager emphasized new employment forms as a result of the ‘gig-economy’:

When talking about gig-economy, for example, forms of employment, what are the types of employment in the future? We already see it, I mean that you perhaps may not have permanent employment in relation to projects, in relation to being a consultant, in relation to changing your position internally. (Interviewee 1)

This again shows how the perception is that the attitude towards stable employment forms has changed, which requires organizations to adapt to it. In connection to Interviewee 2 above, it can be perceived as a new way of looking at talent. Furthermore, our perception is that a majority HR managers were positive towards these developments, although it requires new challenges for them:

It's flexibility and it's a possibility, if we have a technical structure to enable it, we'll be able to find skills anywhere in the world. But it also requires leadership and a culture internally among employees where it is okay that we work in this way. And it will be a challenge to change it internally! (Interviewee 4)

As the above quote shows, these flexible employment forms create both possibilities and challenges for HR managers. A common perception was that new employment forms enable HR managers to find talent anywhere in the world, but on the other hand also require stricter contracts. It can further be discussed in regards to how it will affect the organizational culture and leadership in the sense that people will just be working temporarily in project-based structured work. A commonly discussed consequence of these new employment forms was thus the need for new agile HR processes, which will be presented in more detail in the following section.

4.5 The need for agile HR processes

As outlined above, digitalization creates both challenges and opportunities for the organization. Technology enables new forms of organizing work, offering new forms of employment, which is also a way for the organization to be more flexible. As previously established, the HR managers stated that the digitalization creates a fast-paced changing

environment in which the organization operates. In order to adapt to this, several managers mentioned ‘agility’ and ‘flexibility’ as key capabilities for managing the unknown. In line with this, one of the prominent themes during the interviews that a clear majority of the HR managers independently brought up, was the need for more flexible, short-cycled HR processes. One of the HR managers stated:

Perhaps we cannot have this crystal-ball to see in, for example what the needs are for the next business year, and the next? No, we cannot know that, instead we need to work more agile. We can have a guideline but we need flexibility. (Interviewee 1)

As the above quote discloses, flexibility is addressed as something the organization needs to embrace to be able to adapt to the uncertain future digitalization brings. Similarly, another HR manager claimed that traditional annual cycles of HR processes are now strongly in need of change to increase speed:

(...) Way too many processes are slow and boring, I think we could, and must do a lot of things completely differently. For example we cannot have performance reviews and appraisals once a year – which is standard in most large companies still. Nothing spins in one-year cycles anymore, everything moves much faster. A lot of the traditional HR processes run in annual cycles whether it is performance reviews, wage discussions, bonus-parts, succession-planning, you name it! Everything goes in a kind of annual-cycle. Nothing else in life goes in annual cycles! Nobody knows what will happen in a year from now, and we’re supposed to put up a relevant objective for that. I think HR in a way needs to get with the program really! I think that we have begun within some parts, but it is still too boring and traditional. (Interviewee 12)

Thus, in line with what has been discussed in this chapter before, it is evident that digitalization's implications does affect HRM in the sense that it results in the need for HRM to evolve in order to support changes throughout the organization. Another HR manager also recognized an increased need for changing the traditional processes within HRM:

I can see that we need to change our processes within HR. If that is connected to the digitalization, maybe it is... It is happening so fast, why should we have performance evaluations once a year? It feels outdated. Once a month! These things need to go faster, shorter delivery time, a more agile coordination. I think we need to get better at that. (Interviewee 7)

Based on this quote, it can be perceived that embracing more flexible HR processes such as performance evaluations, could thus be a way for the organization to strengthen its ability to respond to the fast-changing environment the digitalization drives. Besides creating an ability for change, it is also necessary for HRM to adapt to other organizational work processes as perceived by one of the HR managers:

Today, the technological development is so fast that if you work three to six months with something, it will not be good, it will be outdated when you deliver. To instead continuously build on and create value, instead of delivering a finished product. And if we're supposed to work in that way, then we have to work completely differently with performance management and competence management. The cycles have to be faster. Maybe okay, what shall I do the coming six weeks? Have I accomplished that? Yes, okay good, what shall I do the next coming eight weeks?
(Interviewee 10)

This again shows the perception that the HR processes need to be more flexible in order to be responsive to the fast-changing environment. Furthermore, it is also vital in order for HRM to evolve, as another HR manager emphasized the need for HR processes to be aligned with the changing business:

Regardless if one works within HR or another role, we need to, well if we're supposed to be "a great business partner and a true enabler", we need to move forward in the same manner. You cannot keep working in the same way as always, keep the old ways of conducting performance evaluations since it is the core business that changes. And that affects the whole organization!
(Interviewee 1)

Both the above quotes show HR managers' perceptions of how the implications of digitalization on the organization implies changes that HRM need to adapt to. In order for organizations to successfully manage the fast-paced changing environment today, HR managers perceive that HR processes need to adapt accordingly to enable an agile, responsive organization. Furthermore, one of the HR managers talked about how clarity and frequency is important as their global organization is increasingly working in virtual teams. It shows how the consequences digitalization puts on HRM are strongly interconnected, as technology enables virtual teamwork, which also allows new forms of employment. However, it also creates a need for HR processes to be adjusted in order to evaluate performance more efficiently:

If you're in the position as a manager here in Sweden, and have all your employees spread out over the world, and you perhaps don't meet them more than over the phone or Skype, it has to be much more clear and frequent cycles regarding expectations and objectives. Deliveries, objectives, how we follow up the objectives. Some kind of monitoring, that's not going to last any more. Today it is difficult to separate work and spare time, you're always accessible, with the email and computer in your phone. World of working, you should be able to work when you want to and how you want to, when it suits you. The important part is not that you are here between eight and five, but that you have delivered what is expected of you. Today we are not strong enough regarding that, what the expectations in the delivery are, in quicker terms. And this is where HR needs to support the leaders. (Interviewee 10)

It shows that digitalization is an enabler in the sense that it allows organizations to be more flexible in the way they work and how work is organized globally. However, HRM has clearly once again been left behind expected to catch-up and evolve to this not-so-new global organizational setting. Perhaps more frequent performance evaluations and objectives are also a requirement in an organization where digitalization blurs the lines between work and spare time. Rethinking HR processes is thus not only a demand based on the fast-paced changing environment that calls for an agile organization, but also a requirement because of how the work is structured and conducted within the organization. In line with that, one of the HR managers also questioned whether the current time-consuming processes are actually worth the effort:

(...) a mindset to challenge current processes, to think through every part we do within HR - why do we do this? What is the increased business value of mapping employees according to this process we've used for the last 25 years? Do we really use this result for something that equals the work effort? If we put 100 hours on producing this, what is the value in the end? (Interviewee 12)

The interesting part here is that all HR managers seem to agree on the point that HRM needs to evolve, both in order to adapt to the organization which has changed a lot during the last decades – compared to some HR processes that have not changed in the last 25 years, according to the above quote. But also in order to support the organization, its managers and employees to enable agility and flexibility. However, we could not prevent from asking ourselves: what are they waiting for? Perhaps the established, ingrained procedures for HR processes are used as a means to reduce insecurity regarding contribution and justify the strategic value of HRM? However, regarding HR processes such as competence development,

it was evident that the perceived attitude towards learning has changed due to the possibilities digitalization offers:

Competence development for example, there you see that digitalization, if we take learning as an example, you could previously experience that learning at work, it was the employer's responsibility to ensure that there was competence development and time for this and investments in this. And now it is much more of a shared responsibility, much less of learning takes place in controlled forms, but you are instead looking for the knowledge you want, when you want it. (...) And it's a very big mind shift as well that I think is positive! Because it allows us to take a more clear responsibility of our own, individual development. It's no longer about money, and investments, because all of this is actually available already. (Interviewee 6)

This shows that the individual is given responsibility for their own development, which can be connected to the statement discussed previously, regarding that HR managers today perceive that they are responsible for developing their own competencies. Both of the statements imply that digitalization enables new ways of competence development, which can be seen as another argument for creating more flexible HR processes. As this previous quote states, competence development in a digital era is largely about a mind shift, which places greater responsibility on the individual.

It is evident that the HR managers perceive digitalization as a significant change in society, which affect organizations on all levels. Despite the fact that they placed great emphasis on digitalization and its challenges, the ambiguity of it was highly emphasized. The HR managers did perceive that digitalization as an external pressure for change, creates challenges for them in many ways through the need for new HR competencies and flexible ways of working. In order to understand our findings further, we will discuss them in relation to previous research in the following chapter.

5. Discussion

In this chapter, our empirical findings are analyzed in relation to the literature review presented in chapter 3. This is done in order to enhance our understanding of the empirical analysis. We will proceed by discussing our empirical findings in relation to sensemaking theories as we aim to get a deeper understanding of the implications of digitalization for HR managers.

5.1 Making sense of digitalization

When applying change theories to the context of digitalization and HRM, it can be perceived as a change deriving from external environmental pressures to the organization. The prominent perception of digitalization is that it is an on-going change in society, which organizations need to adapt to. Thus, it can be understood through the discussion of Palmer et al. (2017), regarding external pressures for change. This in turn leads to changing customer preferences, as stated by Palmer et al. (2017), as it allows new buying behaviors. However, our empirical analysis showed that HR managers perceived it as a more overall behavioral change in human behavior, and that digitalization is more of an enabler that changes behaviors, communication and interaction with customers as well as employees. This is interesting as it can be connected to Ebersold and Glass' (2015) statements regarding disruptive technological innovations creating domino effects throughout organizations. Also, much in line with Ulrich's (1997) statement about change external to HR requires change within HR. However, it was also evident in the empirical findings that the HR managers' perceptions of digitalization and what it actually implies, is quite ambiguous and unclear. The ambiguity in understanding digitalization leads to further challenges as it creates uncertainty among both employees and managers. Therefore, we propose that, in line with Maitlis and Christiansson (2014) statement, sensemaking is a central activity in organizations when facing ambiguous and unclear situations. When exploring HR managers' perceptions of digitalization through a sensemaking perspective, it is apparent that sensemaking is initiated by chaos, as elaborated by Weick et al. (2005). It is also apparent that the HR managers recognize a difference between the characteristics of digitalization when compared with previous organizational changes. This shows that retrospection plays a significant role in making sense of new situations, as previous experiences and observations influence interpretation (Weick et al., 2005). Not only does it show that sensemaking is a key

component in organizations, but also that it is a vital part when understanding digitalization and its implications for HR managers.

5.2 Making sense of the changing role of HRM

In addition to making sense of digitalization being a challenge, it was clear that the HR managers perceived the role of HRM in need of evolvement. This can again be interpreted through the sensemaking process, as strongly affected by retrospection and presumptions (Weick et al., 2005). Because the HR managers perceive digitalization as an on-going change the organization needs to adapt to, it inflicts on the sensemaking of the perceived implications this will have on HRM. The HRM function was described as having much stronger business focus, and that being a strategic partner in the organization is indisputable. This implies a long-term focus, seeking to achieve competitive advantage through taking the whole organization into account (Watson, 2009; Salaman et al., 2005). In connection with Thite and Kavanagh (2009), we argue that this confirms that the role of HRM in this case has evolved into becoming a strategic business partner focusing on employee development and talent attraction. We propose that it has evolved even further as the interviewees described the role of HRM as much broader. Thus, it can be a sign of what Roehling et al. (2005) regards as the blurring of the definition of the role of HRM.

As the analysis showed, the changing role of HRM was perceived partially as a result of the technological development. This corresponds with the statement by Thite and Kavanagh (2009); that technological developments have affected the evolution of HRM. Thus, the empirical analysis confirms that digitalization impacts HRM on further levels beyond the potential use of digital HR tools. Therefore, to connect with Hempel's (2004) argument, putting emphasis on digital tools must not seclude HR professionals from acknowledging how technology changes work and organizations in a broader sense. This was clear from the perspective of our empirical analysis, as the HR managers perceived that digitalization has implications for HRM, despite their lack of use of digital HR tools. In the prospect of the sensemaking process, the HR managers' outlining of the implications digitalization has for them, are in accordance with Weick et al., (2005) steps of labeling and categorizing.

5.3 Making sense of HR competencies

From being a more administrative function within organizations, handling personnel administration, HR professionals are expected to have broader knowledge today (Bell et al., 2006). Our findings demonstrate that an implication of digitalization was the perceived effect on HR competencies. However, the empirical analysis showed that HR managers face difficulties in making sense of how this evolution affects what competencies are required of them, much in line with Hempel's (2004) argument about HRM ending up in a catch-up position in relation to the overall development of the organization. As HRM itself is not the driving force, it needs to evolve to enable support for the changes digitalization implies throughout the organization (Hempel, 2004). This in turn was perceived as placing higher demands on HR competencies, which can be interpreted in line with Ulrich et al. (2007) who stated that HR professionals are required to develop new competencies in order to remain successful in their role. Thus, we propose that HR competencies have evolved accordingly with the development of HRM, and must therefore continue to do so.

Our empirical analysis did not explicitly show what HR competencies are needed to respond to the changing role of HRM. However, a few competence areas were illuminated in which the HR managers perceived that they need a stronger focus. These areas were somewhat similar to the framework of HR competencies created by Ulrich and his colleagues (e.g. Ulrich et al., 1989; Ulrich et al., 1995) in which three domains representing the core-competencies of HR professionals were presented. The fact that the HR managers perceive HRM as being a more strategic partner today, goes in line with previous research stating that HR professionals need to be able to align their strategies with the business vision (Bell et al., 2006; Yeung et al., 1996; Bondarouk et al., 2014). More evidently, our empirical analysis showed that the HR managers perceived a need for 'digital awareness' in order to succeed in being competitive as well as taking advantage of the potential that digitalization offers. In accordance to Ellström and Kock's (2008) definition of competence, 'digital awareness' can be interpreted as a requirement for the ability to manage human resources in a digital era. It can also be understood as a way of making sense of the ambiguous situation that digitalization entails. Thus, we argue that HR managers might not themselves need these specific digital competencies, but more importantly they need an understanding of what other skills are needed in the organization, in order to successfully develop the organization and its business. This can be explained as having expertise in their area, as initially emphasized in the second competency domain presented by Ulrich et al. (1989; 1995; Lawson & Limbrick, 1996).

Our empirical analysis showed that HR managers perceive themselves as enablers of the digital transformation, through supporting the managers in the organization. This is in line with Vosburgh's (2007) view that contemporary HR professionals are expected to advise managers. We further argue that this can be connected to the last HR competence in the framework of Ulrich and his colleagues (Ulrich et al., 1989; Ulrich et al., 1995), outlining that HR managers need to take on the role as change managers. According to Svoboda and Schröder (2001) and Bell et al. (2006), HR managers need an ability to foresee and detect new developments in order to initiate change. Thus, we argue that it augments the fact that the HR managers themselves need to understand digitalization in order to be able to guide and support others in it. Similarly, Cianni and Steckler (2007) explain that leaders need to take responsibility to drive change and that their language will strengthen its value and importance. Our empirical material shows that the HR managers perceive that they are expected to take on an enabling role for change. Thus, it is clear that social factors such as the expectations of other organizational members play an important role in the HR managers' sensemaking of the situation.

In addition to initiating change, Lawson and Limbrick (1996) claim that HR managers need to build a shared urgency for change. Our empirical analysis showed that managers perceive challenges regarding which direction to go, which was compared to managing the unknown. This uncertainty affects HR managers, both in their own sensemaking of digitalization and its implications, but also in their mission to support the employees in understanding what digitalization really means for the organization. In line with the theories of sensemaking (Weick, 1995; Weick et al., 2005; Tsoukas & Chia, 2002), it is thus evident that HR managers perceive difficulties when making sense of how to support this change. Similarly, building a shared urgency for change (Lawson and Limbrick, 1996) is evidently much more difficult in this case as it requires the HR managers to first make sense of digitalization themselves. Thus, sensemaking is in this case a significant component when managing the unknown, supported by the conclusions of Weick (1995); implying that sensemaking is about structuring the unknown.

In connection to Schoonover's (2003) statement regarding HR work getting increasingly digitized which requires technology expertise from HR professionals, a clear majority of our interviewed HR managers emphasized that their HR processes will be conducted differently in the future. With regards to this, it was clear that the HR managers perceived a need to be

aware of the technological developments in their own area. More specifically of how digitalization can transform and streamline HR work, in connection to the expectations and needs of the business (Brockbank & Ulrich, 2003, in Bell et al., 2006; Lawler & Mohrman, 2003). As Hempel (2004) argue, the technological changes require HRM to create people processes and tools to support these changes. Although a clear majority of our interviewed HR managers showed an interest in digitalization and its possibilities to facilitate HR work, their sensemaking of how these changes would occur remained unspoken. It was clear that the focus was more on how it transforms the organizational life in a broader sense.

To conclude, it was evident that as long as there is an interest in digital developments and innovations, the specific technical skills might not be the most relevant for HR managers. In fact, in accordance with Hempel (2004), we argue that it is crucial for HR managers to have a broader understanding of how technology is transforming organizations in a wider sense, and thus not be blinded by the use of digital tools. When comparing with the HR competency framework (Ulrich et al., 1989; 1995; Schoonover, 2003; Hunter, 1999), we recognized a difficulty in fully separating the HR competencies in the different domains. We argue that all HR competencies are interrelated as technological development permeates and impacts everything, as well as provides an ever-changing environment. Thus, it requires constant change management in connection to business knowledge and HR expertise. Understanding how technological development has consequences for the organization on a broader level is essential, as the next section will also show.

5.4 Making sense of new employment forms

Our empirical analysis showed that the HR managers perceive that the attitude towards stable employment today has changed, which seemingly creates new challenges for HR managers. Digitalization was perceived as creating ambiguities about the future. This can be understood in line with Bryson and Karsten (2009) suggesting that the use of fixed-term contracts can be regarded as facilitating component when facing uncertainties about the future. This in turn was perceived by the HR managers as new challenges for them as they need to develop new employment forms in order to be an attractive employer. Furthermore, the HR managers' explanations of new employment forms can be understood through Kuhn's (2007) definition of the gig-economy, as both of them include short-term employments. Building upon this, it

can be connected to Bredin and Söderlund (2011) stating that project-based way of structuring work leads to a reduction of stable employment forms.

Furthermore, flexible employment forms are perceived as creating both possibilities and challenges. This can be understood in line with Raja et al. (2013) stating that project-based way of organizing work creates a paradoxical challenge for HR managers as it requires them to be strategic but simultaneously the solver of short term issues. Furthermore, as Stulgienė & Čiutienė (2012) claims, flexible employment forms poses challenges for HR managers, as a majority of the HR processes are developed to suit the conventional, stable employment forms. Also, as Bredin and Söderlund (2006) argue, performance management for instance, becomes a difficulty when contracts are temporary. However, as these temporary contracts are often renewed with the same employer (Connelly & Gallagher, 2006), we question whether these flexible employments forms and their implications for HR managers are worthwhile. Also, we want to illuminate a concern regarding these flexible employment forms, as we argue it might imply further challenges regarding values and organizational culture. Thus, we propose that digitalization has further implications for HR managers, as these new forms of employment is a way to be agile to ‘meet’ digitalization but will also create domino effects.

5.5 Making sense of flexible HR processes

Our empirical analysis showed that ‘agility’ and ‘flexibility’ were perceived as two key capabilities relevant when responding to digitalization. As a dynamic business environment impacts an organization's performance, it is argued that it creates a need for companies to be flexible which involves the abilities of an organization to respond to changing competitive environments (Sekhar et al., 2016; Attia et al., 2014; Nyhan, 1998). Short-cycled HR processes were perceived and mentioned as something organizations need to embrace in order to adapt to the fast-changing environment. This goes in line with Ulrich's (1997) statement regarding agility being more important than accuracy when facing change, which in turn demands HR professionals to develop and implement attentive programs and learn and adjust accordingly. The discussion about short-cycled HR processes can further be connected to Cappelli and Tavis' (2016) claims regarding traditional HR processes no longer being viable in organizations facing fast-paced innovation and competitive markets. Additionally, it is also an example of how HRM has potentially been left in a catch-up position, as Hempel (2004) argues, which results in the need for HRM to evolve in order to support changes throughout

the organization. Also, as argued by Fisher and Sempik (2009), besides being approached as outdated, traditional performance management processes have been accused of being costly, time-consuming and not worth their potential value. We argue that if even HR managers perceive it this way, the value of conventional performance management processes is highly questionable. Thus, in line with Sekhar et al. (2016), HR flexibility can be a way to develop and preserve the organization's competitive advantage. In order for organizations to successfully manage the fast-paced changing environment today, our empirical material showed that the general perception of HR managers in this sense, was that HR processes need to adapt accordingly to enable an agile, responsive organization. Also, this again corresponds to Ulrich's (1997) statement regarding change outside HR requiring change within HR.

Another prominent perception among the HR managers was that the individual is given responsibility for their own development. We argue that this can be connected with Cappelli and Tavis' (2016) claims regarding organizations focusing on development increasingly put their employees in control of their own growth. This stems from the fact that digitalization makes information widely available and therefore learning has become a shared responsibility. However, as Cappelli and Tavis (2016) also argue, this demands valuable feedback from managers to the employees, for instance through frequent, informal check-ins, rather than through annual reviews. On the other hand, it is questionable how this would work out in practice in a large-scale organization. However, we propose that the total amount of time previously spent on conventional HR processes will compensate for the time needed for frequent, informal check-ins.

5.6 Conclusion of discussion

To conclude this chapter, the analysis of the empirical material showed that the various implications digitalization has for HR managers have an evident relational connection, which argues for a holistic perspective when aiming for a deeper understanding of this phenomenon. Our study shows that digitalization has implications for HR managers in a cycle; it is both an enabler for the implications discussed above, but also makes the implications a prerequisite for successful HRM in a digital era.

Furthermore, sensemaking is not merely a way to understand the HR managers' perceived implications of digitalization, but has also turned out to be a key component in how to

manage the implications of digitalization. Consequently, we propose that HR managers' understanding would be favored by prioritizing sensemaking of what digitalization means in their context. To connect back to the quote in the preface of this thesis; although the end station is impossible to predict, we argue that sensemaking is a clear prerequisite for daring to jump on a journey and at least know what direction the train is heading.

(...) How am I supposed to dare to jump on a journey when I don't really know where the train is heading? Or what stations we're getting off at. (Interviewee 1)

6. Conclusions

In this chapter, the main findings of our study will be presented. Our conclusions are based on reflections of our empirical analysis and discussion. This study has been guided by the following research questions: How do HR managers make sense of digitalization? What do they perceive as the main challenges?

6.1 Main findings

The aim of this thesis is to get a deeper understanding of the implications of digitalization for HR managers. Our main findings show that digitalization is perceived as an ongoing change in society that creates external pressures for change within organizations. Digitalization was described as creating a fast-changing environment to which the organization needs to adapt in order to survive. Furthermore, it was emphasized that it implies changes in human behavior, both with regards to customers and employees. Nevertheless, digitalization somehow affects everyone, and therefore results in both direct and indirect implications for the organization. Building on this, it was demonstrated that digitalization also has implications for HR managers in multiple ways.

Previous research (Hunter, 1999; Schoonover, 2003; Lawler & Mohrman, 2003; Bell et al., 2006) showed that HR managers need technological expertise as part of their competencies. In addition to such technological expertise, this study shows that ‘digital awareness’ is an additional, and perhaps more significant competency that digitalization demands. This was described as an awareness of the technological development and how it has implications for the organization in a broader sense. Furthermore, it is shown that digitalization implies managing the unknown – since its implications are rather ambiguous. Therefore, HR managers need to be change agents. As digitalization permeates everything today it also infiltrates the other HR competency domains in the framework of Ulrich et al., (1989; 1995): HR expertise and business knowledge. Building upon this, this study shows that all HR competencies are interrelated, as digitalization is an ongoing development, requiring constant change management as well as understanding how it influences business knowledge and HR expertise.

Another evident implication of digitalization was the enabling of, as well as the demand for new employment forms. Digitalization enables new employment forms through new ways of

communicating and interacting globally with the use of digital tools. It also demands new employment forms as a form of flexibility in meeting the unpredictable environment that digitalization entails. This in turn creates challenges for HR managers as they are put in a rather paradoxical situation, requiring both short-term and strategic focus with regards to the employees. Our study thus also demonstrates that a prominent implication of the digitalization is the need for agile, more flexible HR processes. Furthermore, agility and flexibility were salient as key capabilities required for being able to ‘manage the unknown’. Building on this, this study concludes that digitalization has implications for HR managers in the sense that the conventional annual HR processes are no longer viable. Instead, frequent, informal check-ins can be a way to enable flexible, agile HR processes.

In conclusion, the difficulty in fully understanding digitalization creates further challenges for HR managers. Both in regards to the HR managers’ own way making sense of digitalization, and in their assignment to support the employees, in comprehending what the digitalization in fact means for the organization. Despite this fact, several HR managers concluded that digitalization has further ripple effects, which in turn have consequences for HRM. Thus, understanding digitalization as the *digitizing* (i.e. conversion of analog to digital) of certain processes is a too narrow approach. This demonstrates the need for a holistic understanding of the implications of digitalization for HR managers.

6.2 Contributions and further implications

Previous research has indicated that digitalization has implications for HRM on a broader level than just through facilitating administrative work (eg. Hempel, 2004; Bell et al., 2006; Larkin, 2017). However, the HR managers’ perceptions of and attitudes towards this development are not included in such studies. Contributing to previous theories regarding HRM and digitalization, our study illustrates *how* HR managers perceive digitalization and its challenges. Our study contributes with a clarification and understanding of *how* practicing HR managers perceive this phenomenon, which is relevant for both practitioners and further research. As established above, digitalization is a strong driver for change, causing implications for organizations. This in turn requires organizations to recognize both the direct and indirect consequences the technological development implies.

In regards to practical implications, first and foremost, our findings show a need for HR managers to further navigate in the meaning of digitalization and its implications for HRM, in the context of their respective organizations. The fast-paced characteristics of digitalization has a more wide-reaching impact than perhaps is expected, in the sense that it is changing human behavior and thus leads to profound domino effects for organizations. Therefore, it is of relevance for every human resource manager to relate to this. Lastly, an unexpected insight of our findings is the further consequence for HRM studies, since our study showed that the competency required of HR managers are of broader character today. Thus, we propose that the curriculum of HRM studies might have to be revised and updated in order to match the future HR competencies needed. Both since administrative and intellectual tasks will be increasingly replaced by computers, and because digitalization requires further competencies besides the traditional.

6.3 Limitations and Future Research

We recognize that there are limitations to the findings presented in this study. First of all, this thesis was conducted through a case study of one single company and thus we acknowledge the impossibility of generalizing the results. Furthermore, the sample in the empirical material of this study was limited in regards to the number of interviewees, which thus only represents minor parts of the perceptions among HR managers. However, this thesis contributes to a deeper understanding through exemplifying how digitalization has implications for HR managers.

Although this study demonstrates valuable insights of HR managers' perceptions of the challenges of digitalization, we believe it would be interesting to also interview HR professionals in other organizations operating in different contexts. As the case company of this study, Digital Solutions, was explicitly facing a digital transformation, it would be of value to compare our findings to the perceptions of HR managers operating in less 'digital' organizations, to explore to what extent their perceptions of the implications of digitalization correspond with our study. To evaluate findings from similar studies conducted in a broader spectrum of organizational contexts, would illustrate a more balanced perspective of HRM in a digital era. Lastly, in regards to our own reflection concerning that universities might have to update their curriculum of HRM studies, we recognize a need for future research to examine this further.

7. References

- Alvesson, M. (2003). Beyond Neopositivists, Romantics, and Localists: A reflexive approach to interviews in organizational research, *Academy of management review*, 28(1): 13-33
- Alvesson, M. & Deetz, S. (2004). *Kritisk Samhällsvetenskaplig Metod*, Lund: Studentlitteratur AB
- Alvesson, M. & Sköldberg, K. (2009). *Reflexive Methodology: New vistas for qualitative research*, Los Angeles: Sage
- Alvehus, J. (2013). *Skriva Uppsats med Kvalitativ Metod: En handbok*, Stockholm: Liber
- Andersson, J. (2017). Digital Transformation, *Moderna affärssystem*. April 2017
- Attia, E. A., Duquenne, P., & Le-Lann, J. M. (2014). Considering Skills Evolutions in Multi-skilled Workforce Allocation with Flexible Working Hours, *International Journal of Production Research*, 52(5): 4548–4573
- Bailey, P. H. (1996). Assuring quality in narrative analysis. *Western Journal of Nursing Research*, 18, pp. 186-194
- Bell, B. S., Lee, S. & Yeung, S. K. (2006). The Impact of E-HR on Professional Competence in HRM: Implications for the development of HR professionals, *Human Resource Management*, 45(3): 295-308
- Bondarouk, T. & Ruël, H. (2009). Electronic Human Resource Management: Challenges in the digital era, *The International Journal of Human Resource Management*, 20(3): 505–514
- Bondarouk, T., Marsman, E., Rekers, M. (2014). HRM, Technology and Innovation: New HRM competences for old business challenges? in Bondarouk, T., Olivas-Luján, M. R. (eds.) *Human Resource Management, Social Innovation and Technology*, Emerald Group Publishing Limited, pp. 179-215

Bredin, K. & Söderlund, J. (2011). *Human Resource Management in Project-Based Organizations: The HR quadriad framework*, UK: Palgrave Macmillan

Bryman, A. (2011). *Samhällsvetenskapliga Metoder*, Malmö: Liber

Bryman, A. & Bell, E. (2011). *Business Research Methods*, 3rd Edition, Oxford: Oxford University Press

Bryson, C., & Karsten, L. (2009). Managing Uncertainty or Managing Uncertainly? In Leopold, J., & Harris, L. (eds). (2009). *The Strategic Managing of Human Resources*, 2nd Edition, Harlow: Prentice Hall/Financial Times

Cappelli, P. & Tavis, A. (2016) The Performance Management Revolution: The focus is shifting from accountability to learning, *Harvard Business Review*, pp. 58-67

CapGemini Consulting. (2013). Using Digital Tools to Unlock HR's True Potential. https://www.capgemini-consulting.com/resource-file-access/resource/pdf/digitalhrpaper_final_0.pdf [Downloaded: 2017-03-20]

Connelly, C. E. & Gallagher, D. G. (2006). Independent and Dependent Contracting: Meaning and implications, *Human Resource Management Review*, 16(1): 95–106

Creswell, J. W. (2007). *Qualitative Inquiry & Research Design: Choosing among five approaches*, 2nd Edition, Thousand Oaks: SAGE

Cöster, M. & Westelius, A. (2016). *Digitalisering*, 1st Edition, Stockholm: Liber

Deloitte. (2016). Global Human Capital Trends 2016. The new Organization: Different by design, *Deloitte University Press*

Ebersold, K. & Glass, R. (2015). The Impacts of Disruptive Technology: the Internet of things, *Issues in Information Systems*, 16(4): 194-201

Ellström, P., & Kock, H. (2008). Competence Development in the Workplace: Concepts, strategies and effects, *Asia Pacific Education Review*, 9(1): 5-20

- Fisher, C., & Sempik, A. (2009). Performance Management and Performing Management. In Leopold, J., & Harris, L. (eds). (2009). *The strategic managing of human resources*, 2nd Edition, Harlow: Prentice Hall/Financial Times
- Goldstein, J. (2015). Digital Technology Demand is Transforming HR. *Workforce Solutions Review*, 6(1): 28-29.
- Grant, D. & Newell, S. (2013). Realizing the Strategic Potential of e-HRM. *Journal of Strategic Information Systems*, 22(1): 187-192
- Guba, E.G. & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. *Handbook of qualitative research*, 2(163-194): 105-117
- Hempel, P. S. (2004). Preparing the HR Profession for Technology and Information Work, *Human Resource Management*, 43(2&3): 163-177
- Heracleous, L. (2003). *Strategy and Organization: Realizing strategic management*, Cambridge: Cambridge University Press
- Hunter, R. H. (1999). The “New HR” and the New HR Consultant: Developing human resource consultants at Andersen Consulting, *Human Resource Management*, 38(2): 147-155
- Kuhn, K. M. (2016). The Rise of the “Gig Economy” and Implications for Understanding Work and Workers, *Industrial and Organizational Psychology*, 9(1):157-162
- Larkin, J. (2017). HR Digital Disruption: The biggest wave of transformation in decades, *Strategic HR review*, 16(2): 55-59
- Lawler, E. E., & Mohrman, S. A. (2003). HR as a Strategic Partner: What does it take to make it Happen? *Human Resource Planning*, 26(3): 15-29
- Lawson, T. E., & Limbrick, V. (1996). Critical Competencies and Developmental Experiences for Top HR Executives. *Human Resource Management*, 35(1): 67-85.
- Makridakis, S. (2017). The forthcoming Artificial Intelligence (AI) revolution: Its impact on society and firms, *Futures*, pp. 1-15

- Marler, J. H. & Fisher, S. L. (2013). An Evidence-Based Review of e-HRM and Strategic Human Resource Management, *Human Resource Management Review*, 23(1): 18-36
- Maitlis, S., & Christianson, M. (2014). Sensemaking in Organizations: Taking stock and moving forward, *Academy of Management Annals*, 8: 57-125
- Merriam, S. B. (1994). *Fallstudien som Forskningsmetod*, Lund: Studentlitteratur.
- Morrow, S. (2005). Quality and Trustworthiness in Qualitative Research in Counseling Psychology, *Journal of Counseling Psychology*, 52(2): 250-260
- Nyhan, B. (1998). Competence Development as a Key Organisational Strategy - Experiences of european companies, *Industrial and Commercial Training*, 30(7): 267-273
- Obeidat, S. (2015). The Link Between e-HRM Use and HRM Effectiveness: An empirical study, *Personnel review*, 45(6): 1281-1301
- Palmer, I., Dunford, R. & Buchanan, D. A. (2017). *Managing Organizational Change: a Multiple Perspectives Approach*, 3rd Edition, International ed. New York: McGraw-Hill Education
- Raja, J., Green, S. D., Leiringer, R., Dainty, A. & Johnstone, S. (2013). Managing Multiple Forms of Employment in the Construction Sector: Implications for HRM, *Human Resource Management Journal*, 23(3): 313-328
- Roehling, M. V, Boswell, W. R, Caligluri, P, Feldman, D, Graham, M. E, Guthrie, J. P, Morishima, M. and Tansky, J. W (2005). The Future of HR Management: Research needs and directions, *Human Resource Management*, 44(2): 207-216
- Salaman, G., Storey, J. & Billsberry, J. (2005). *Strategic Human Resource Management – Theory and practice*, 2nd Edition, London: Sage
- Schoonover, S. C. (2003). *Human Resource Competencies for the New Century*, Falmouth, MA: Schoonover Associates
- Sekhar, C., Patwardhan, M., Vyas, V. (2016). A Study of HR Flexibility and Firm Performance: A perspective from IT industry, *Global Journal of Flexible Systems Management*, 17(1): 57-75

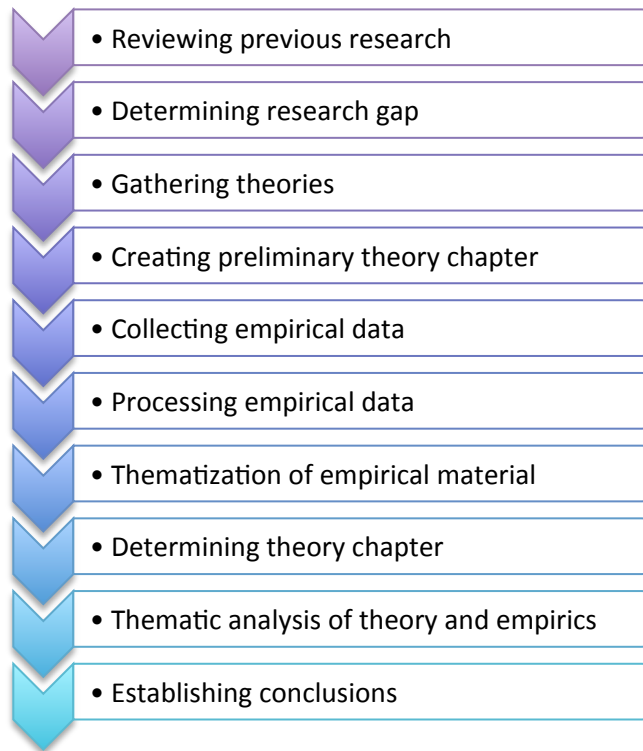
- Shah, N., Irani, Z., & Sharif, A. M. (2017). Big Data in an HR Context: Exploring organizational change readiness, employee attitudes and behaviours, *Journal of Business Research*, 70(1): 366-378
- Smedley, T. (2014). Send in the Cloud, *People Management*, May: pp. 42-44
- Spitzer, B. (2014). HR in the Digital Age, CapGemini Consulting, *Workforce Solutions Review*, 5(1): 15-17
- Stone, D. & Dulebohn, J. (2013). Emerging Issues in Theory and Research on Electronic Human Resources Management (eHRM), *Human Resource Management Review*, 23: pp. 1-5
- Stulgienė, A. & Čiutienė, R. (2012). HRM Challenges in Transition to Project Management: Project-based organization, *Economics & Management*, 17(3): 1214-1218
- Svoboda, M., & Schröder, S. (2001). Transforming Human Resources in the New Economy: Developing the next generation of global HR managers at Deutsche Bank AG, *Human Resource Management*, 40(3): 261–273
- Thite, M. and Kavanagh, M. (2009). ‘Evolution of human resource management and human resource information systems: the role of information technology’, in M. Kavanagh and M. Thite (eds), *Human Resource Information Systems: Basics, Applications and Future Directions*, Thousand Oaks, CA: Sage
- Tsoukas, H., Chia, R. (2002). Organizational Becoming: Rethinking organizational change, *Organisation Science*, 13(5): 567–582
- Ulrich, D. (1997). HR of the future: Conclusions and observations, *Human Resource Management*, 36: pp. 175–179
- Ulrich, D., Brockbank, W., Yeung, A. K., & Lake, D. G. (1995). Human Resource Competencies: An empirical assessment, *Human Resource Management*, 34: pp. 473–495
- Ulrich, D., Brockbank, W., & Yeung, A. (1989). Beyond Belief: A benchmark for human resources, *Human Resource Management*, 28: pp. 311–335

- Ulrich, D., Brockbank, W., Johnson, D., & Younger, J. (2007). Human Resource Competencies: Responding to increased expectations, *Employment Relations Today (Wiley)*, 34(3): 1-12
- Voermans, M. & Van Veldhoven, M. (2007). Attitude Towards E-HRM: An empirical study at Philips, *Personnel Review*, 36(6): 887-902
- Vosburgh, R. M. (2007). The Evolution of HR: Developing HR as an internal consulting organization, *Human Resource Planning*, 30(3): 11-23
- Watson, T. (2009) *Organizations, Strategies and Human Resourcing*. In Leopold, John W. & Harris, Lynette (eds.) (2009). *The Strategic Managing of Human Resources*, 2nd Edition, Harlow: Prentice Hall/Financial Times
- Weick, K. E. (1995). *Sensemaking in Organizations*, Thousand Oaks, CA: Sage
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2005). Organizing and the Process of Sensemaking, *Organization Science*, 16(4): 409-421
- Whittemore, R., Chase, S. K., Mandle, C. L. (2011). Validity in Qualitative Research, *Qualitative Health Research*, 11(4): 522-537
- Yeung, A., Woolcock, P., & Sullivan, J. (1996). Identifying and Developing HR Competencies for the Future: Keys to sustaining the transformation of HR functions, *Human Resource Planning*, 19: pp. 48–58

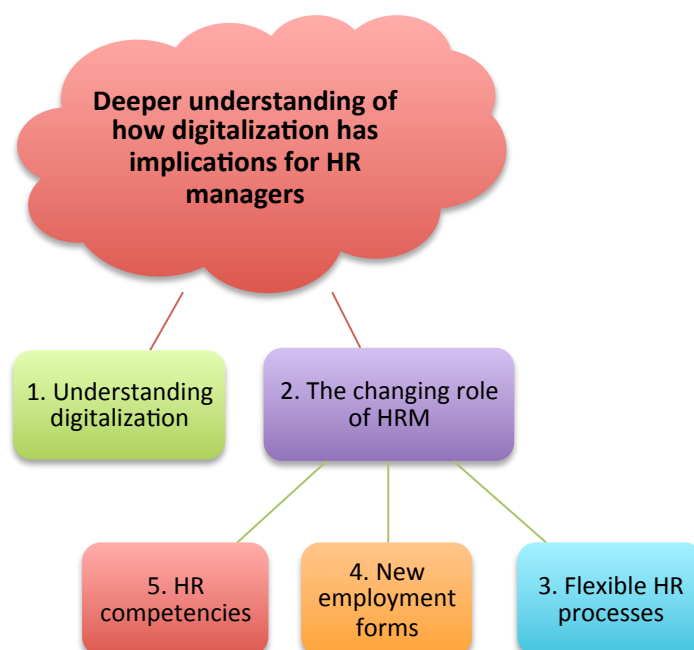
8. Appendices

8.1 Appendix A: List of figures

Fig. 2.1. Own figure of our research approach



2.2. Own figure of our thematization



8.2 Appendix B: Interview guide

This interview guide was used, with room for follow-up questions, as a framework during our 12 semi-structured interviews with the HR managers at Digital Solutions. The questions were translated to English before attached to this appendix.

Introduction

- Tell us about your background? (work experiences, education)
- Tell us more about the organization?
- What is your role? What are your responsibilities?

Human Resources Management

- What does HRM mean to you? Can you please exemplify?
- In what ways do you work with HRM?
 - What are your long-term and short-term goals in your role?
- How would you describe effective HRM?
- How do you perceive that HRM has changed through the years?

Digitalization

- What does digitalization mean to you? How would you describe it?
- How do you think digitalization has implications for organizations?
- How would you describe digitalization's biggest challenges?
- How do you perceive that digitalization has implications for internal work processes?

HRM, Digital Solutions and digitalization

- How do you perceive that digitalization has implications for Digital Solutions?
- How do you talk about digitalization amongst each other?
- Do you work anything with digitalization and HRM?

Digitalization and HRM

- Do you perceive that digitalization impacts HRM? If so, how?
- Do you perceive that digitalization changes your work? If so, how?
 - How does it influence your role and your work tasks?
- Do you perceive that digitalization changes HRM as a function? If so, how?

- How do you believe that HRM can support the organization in its digital transformation?
- How do you perceive that digitalization influences...
 - Competence development?
 - Recruitment?
 - Employee retention?

Future

- Do you perceive that digitalization influences which people are recruited as HR managers?
 - If so, in what sense? And why do you believe this is?
- How would you describe the biggest future challenges for HRM?
- How would you describe the advantages of digitalization for HRM?
- Do you see any disadvantages with digitalization? Both today, and in the future?