Linnæus University
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Master Thesis

Masters of Agility
A Study of How Small- and Medium-Sized E-Businesses Use Their Human Resource Management to Succeed in a Complex Environment

Abstract

SMEs are a type of business that has been intensively studied with regards to many different aspects, given that they are known as the engines of economies. Also, the adoption of the e-channel by SMEs has been researched widely. Yet, scarce research exists on e-businesses that do not have a physical point of sale – a rather new phenomenon that has changed the business world permanently. Especially the number of SME e-businesses increases rapidly and this type of business has not sufficiently been researched. E-businesses, given their own nature, are very exposed to external factors and competition, thus they have the need to be agile to remain relevant. Furthermore, it is known that HR are one of the most important resources in every business, and weigh even more in small businesses.

This study aims at researching the existing gap in academic literature on e-businesses by shedding light on the general structures of the businesses HRM. Moreover, the concept of business agility in the context of SME e-businesses, which enables the businesses to cope with a complex and ever-changing environment, and how this characteristic can be fostered through HRM, is researched by this study. This study is based on a qualitative multiple case study of seven SME e-businesses from Germany and Sweden. The interviews were conducted face-to-face or via Skype with the HR responsible of the companies.

The general HRM structures and activities were analyzed in SME e-businesses, as well as their contribution to eight agility characteristics, identified by previous research in different contexts: contextual clarity, common purpose, commensurate returns, flexible organizational structures, continuous learning, autonomy and accountability, personal growth and collaboration. Furthermore, three agility characteristics that can be revealed by the workforce of a company were analyzed: proactivity, adaptability and generativity.

We conclude that the general HRM structures and activities reveal characteristics of typical SMEs as well as of large e-businesses. Furthermore, this study found, that business agility is generally fostered through surprisingly well-formalized HRM activities. Common purpose, commensurate returns, continuous learning, collaboration and generativity are the characteristics towards business agility that are fostered the most through HRM in SME e-businesses.

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Kalmar, May 2016

Miguel Carnero	Laura Weishaupt

Contents

Abbreviations

CEO	Chief Executive Officer
CHRO	Chief Human Resource Officer
CTO	Chief Technology Officer
GDP	Gross Domestic Product
HR	Human Resource
HRM	Human Resource Management
ICT	Information- and Communication Technologies
IT	Information Technology
MNC	Multinational Company
PPP	Purchasing Power Parity
SME	Small- and Medium-Sized Enterprise
SME e-business	Small- and Medium-Sized e-business
UK	United Kingdom
USA	United States of America
USP	Unique Selling Proposition
VP	Vice President

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1 Introduction

In this chapter we outline the background to our study to give the reader a knowledge base to understand the concepts we unveil. In the problem discussion, we present the gap in the existing literature that this study targets. The chapter concludes with the research questions and the purpose of the thesis.

1.1 Background

Globalization was once driven mostly by the world's governments, large multinational companies (MNC), and important financial institutions (Manyika and Lund, 2016). Lately, globalization has developed faster than before and technology is the leading cause for this phenomenon; the developments of telecommunication technologies have made it possible to communicate across the globe for a fraction of the cost and the time needed before (Lassere, 2012). Furthermore, internet is now at anyone's reach and it has enhanced the speed of globalization; this ongoing occurrence is opening doors for many countries and entrepreneurs (Wright and Dyer, 2000). Moreover, online digital platforms have helped small businesses, artisans, entrepreneurs, app developers, freelancers, and even individuals to participate in the global market directly (Ibid).

The internet as a global network has abolished physical borders and made the global transmission of data possible (Lasserre, 2012). Also, it is seen that the impact of the internet increased vastly, thus, the internet has become an economic sector of its own and has disrupted our everyday lives and rearranged the flow of how things go around the globe: supporting research shows that if the internet were a national economy, it would rank in the world's top five (Manyika and Roxburgh, 2011). Another report mentions that the internet is contributing up to eight percent of the gross domestic product (GDP) in some economies, powering growth and creating jobs (BCG, 2016). Some forecasts have consistently shown that the internet will continue expanding and incorporating itself in both, emerging and developed economies. To exemplify, it is forecasted that the internet economies of the G-20 major countries will grow at an annual rate of eight percent over the next five years starting in 2016 (BCG, 2016). This annual growth rate outpaces every traditional economic sector regarding wealth and job creation (Ibid). Nonetheless, it is important to mention that the world is still far from being fully connected, yet it is beginning to touch a far broader range of countries, enterprises, and people (Manyika and Lund, 2016) and will keep spreading and rooting itself into markets that are not fully

developed, which are very large in a global perspective (BCG, 2016). As of 2015, there were 3.2 billion internet users and it is forecasted that this number will increase to over 5 billion by 2020 (BBC, 2015). It is also forecasted that "By 2025, 30 to 50 percent of retail transactions (40 to 70 percent in advanced economies and 20 to 30 percent in developing economies) might take place online, with a potential economic impact of $100 billion to $400 billion per year" (Manyika, et al., 2013, p. 12). It is important to be aware that the internet has played a large role in the development of economies, mainly through e-businesses (Manyika and Roxburgh, 2011), which are characterized by not having a physical point of sale, operating in a rapidly changing and challenging environment, being less structured and placing more focus on growth (Wright and Dyer, 2000). Moreover, e-businesses are growing very rapidly and the rise of e-businesses is forecasted to continue to disrupt the way business is done globally (Ibid).

Also, small- and medium-sized enterprises (SME), which are defined as enterprises holding less than 250 employees (European Commission, 2016), have always been significant players in most economies (World Bank, 2015), in fact, SMEs have been an essential factor for countries to become developed (Small Business Administration, 2009; Naudé, 2013). It can be argued that SMEs are more dynamic than larger competitors (Small Business Administration, 2009), however, most SMEs lack the capabilities or resources to create optimal strategies based on a rational assessment of the external business context in which they operate (Hudson, et al., 2001).

1.1.1 Business Agility
Globalization, the internet disrupting the way of business, and markets becoming more open (Manyuka and Lund, 2016) create the need for businesses to learn how to respond and compete in a highly complex and ever-changing environment. Especially e-businesses and SMEs, the latter being vulnerable organizations (Small Business Administration, 2009), face highly dynamic environments and have a need to be agile, meaning to be responsive to the external environment to remain relevant and competitive (Oosterhout, et al., 2005).

Business agility can be briefly described as the ability of a business to cope with unpredictable changes, to survive unprecedented threats from the business environment, while benefiting from these changes (Sharifi and Zhang, 2000). Levary (1992), Sharifi and Zhang (2000) and Camarinha-Matos, et al. (2001) agree that

businesses have to deal with an ever-changing environment given that the external environment presents constant changes in the economy, the marketplace, the technological and social factors; thus, the aforementioned authors conclude that business agility is a crucial characteristic to meet these external demands.

Some authors have recognized that human resource management (HRM) is an important enabler of business agility (Oosterhout, et al., 2005), given that HRM is known as the systematic management of human resources (HR) within the organization towards the organization's success (Pinnington and Edwards, 2000; Mathis and Jackson, 2011). Pinnington and Edwards (2000) explain that HRM can be subdivided in two areas of focus: soft HRM, which focuses more on recognition and commitment of the employee towards the organization, while hard HRM focuses more on managing and controlling the employees for the organization to achieve its goals; both can contribute to business agility. It is also argued that HRM has a sizeable impact on different areas of a business and entails much more than the management of employees (Mathis and Jackson, 2011). Moreover, authors such as Tung (2016) argue that human capital and how it is managed play a crucial role for a company's competitiveness on an international level, thus it is argued that HRM has an impact on the ability of a business to become more competitive and agile in an international context.

1.2 Problem Discussion

In our study we combine the specific characteristics of e-businesses as well as the characteristics of SMEs, which results in a diverse, fragile, very complex yet responsive organization namely: small- and medium-sized e-business (SME e-business). We have decided to narrow our studies to SME e-businesses given their rapid global expansion and the lack of research on this type of business. We argue that this type of business should adopt business agility because of its characteristics, and mainly as it operates in a very competitive and fast-paced environment. Moreover, business agility and SMEs or SME e-businesses have not been linked or studied in depth.

E-businesses present specific characteristics and challenges, such as being able to increase competitiveness in the global market and to have access to natural and human resources globally (Boudreau, et al., 1998). E-businesses are different than other companies, as they are also characterized by being able to reassign and respond easily to global shifting opportunities (Ibid) by focusing on innovative trends rather

than on industries (Pisano, et al., 2015). Moreover, Katz, et al. (2003) mention that e-businesses are in fact much easier to launch than regular businesses, this fact also allows for a rapid expansion of this type of businesses. Thus, there is a need for e-businesses and its structures to be studied and researched in depth.

It is known that SMEs are vulnerable organizations, yet they positively impact the world's economies (Ackermann, 2012). In today's global market, SMEs compete not only with traditional rivals, but also with overseas larger firms (Gunasekaran, et al., 2011). Moreover, as Hudson, et al. (2001) state, typical SMEs have limited resources, less customers, focus on short term operations, often have a flat organizational structure, possibly high staff turnover, and lack the capabilities to create suitable optimal strategy. Thus, SMEs must be flexible and adaptable to change given their vulnerability to larger competitors (Ibid), the same is assumed to be true for SME e-businesses.

As mentioned by Wright and Dyer (2000), managing an e-business today requires dealing with an unusual amount of complexity, uncertainty, and dynamicity; thus, it can be argued that business agility is a characteristic that benefits e-businesses significantly. Oosterhout, et al. (2005) and Winby and Worley (2014) identified HRM as an important element of a company to achieve business agility. The authors Wright and Dyer (2000) are the only ones that have conducted research on how HRM enhances business agility in e-businesses, yet this study was not conducted on SME e-businesses, thus, we will be among the first authors to cover this area.

All businesses are formed by people and it is common belief that HR are the most valuable asset that any business possesses. Many authors, such as Patterson, et al. (1997), Arthur (2004), Milmore, et al. (2007), Stone (2008), Boxall and Purcell (2011), Torrington, et al. (2014) and Tung (2016) have studied HRM and they all agree that it is a main element towards business success, this consensus gives us strong reason to focus in this area of the organization. Brand and Bax (2002), Arthur (2004), Harney and Dundon (2006), and Galabova and McKie (2013) state that HRM in SMEs is mainly reactive, informal, and does not play such an influential role in the performance of the business. On the other hand, Dietz, et al. (2006) found that e-businesses have a more formalized HRM in place compared to regular SMEs.

As shown before, there is theory and characterizations for both, HRM in e-businesses and HRM in SMEs separately, yet there is no studies on HRM in SME e-

businesses, thus, room still exists for further research on the impact of HRM in SME e-businesses.

We find it crucially important to study to what extent HRM in e-businesses contributes towards the adoption of business agility, given that e-businesses are forecasted to keep expanding exponentially (Wright and Dyer, 2000) in a very dynamic and agile environment, which requires business agility. This study will be beneficial for the SME e-businesses' owners and managers to use and leverage the findings of our study as it will help them manage their HRM to implement and improve current practices with the goal of integrating business agility. Furthermore, we will take on this research with the goal of contributing towards current academia by filling an important gap that needs to be researched in depth. As mentioned previously, HRM has been poorly studied in the context of SME e-businesses or in regards to how it can contribute towards business agility. Little attention has been given to this area for a couple of reasons: first, SMEs can be considered too small to have a structured HRM department, second, e-business managers have disregarded or overlooked the importance and impact of HRM in different business areas, including business agility, which is a rather new concept in the business world. There is large demand for this knowledge as the future of business is forecasted to become more internet-based (Wright and Dyer, 2000; Manyika and Roxburgh, 2011). Lastly, after extensive research, we realized that our topic has not been studied in any markets, which gives us reason to develop our study, knowing that it will be useful for management and for further studies.

1.3 Research Questions

The problem discussion revealed the need for further research in the area of SME e-businesses, in the HRM of these companies and in the field of business agility. Thus, this research addresses the following research question:

How is the HRM in SME e-businesses generally structured?

An analysis of the general HRM structures and activities that exist in SME e-businesses is required to understand how the HRM is incorporated in the broader organizational context of the company and to answer the second research question. The second research question that this study addresses is:

To what extent do HRM activities in SME e-businesses enable business agility?

1.4 Purpose

This study has a descripto-explanatory purpose (Saunders, et al., 2012), given that we aim at describing and assessing the general HRM characteristics in SME e-businesses and at investigating relationships between the companies' HRM activities and the agility characteristics identified in previous research; this includes the analysis of how well these practices are anchored and incorporated in the companies, thus, how formalized these structures are. Thus, the purpose of this thesis is to analyze to what extent SME e-businesses use their HRM to enable business agility, in other words: in what way HRM contributes to a SME e-businesses' ability to cope with the rapidly changing environment.

This paper will provide recommendations for the managers of the SME e-businesses on how to internally structure their HRM to achieve business agility and provide a base for further research in the growing field of SME e-businesses.

1.5 Thesis Outline

Chapter 1: Introduction	In the introduction we will place our study in a broad background. We will present the main underlying concepts of our study, the problem discussion and the resulting research questions, as well as the purpose.
Chapter 2: Literature Review	The literature review will give an overview of the existing literature in the field of our study and will highlight patterns that can be found in previous studies.
Chapter 3: Theoretical Framework	In the theoretical framework we will discuss the main theories underlying our study in depth. Furthermore, the theories will be put in relation in a conceptual framework, which represents the theoretical basis for our study.
Chapter 4: Methodology	In chapter 4 we will present the methodology used for this study. We will, amongst others, carefully outline the research approach, the research strategy, the data collection, the operationalization and data quality issues.
Chapter 5: Empirical Findings	In the empirical findings section we will present the data gathered for the purpose of this study. The empirical findings are presented in accordance with the conceptual framework of chapter 3.
Chapter 6: Cross-Case Analysis	In chapter 6 we will discuss the findings in the light of the theoretical framework and will compare the findings across the case companies.
Chapter 7: Conclusion	In the last chapter we will provide the overall conclusions to our study. We will answer the research questions, address managerial and theoretical implications of our study, outline the limitations and identify suggestions for further research.

Figure 1-1: Thesis outline

2 Literature Review

In order to properly conduct our research, we searched literature relevant to our topic. This literature review places our study in the context of previous literature, thus, we present the work that has already been done in this field. We mainly used the following keywords and combined them to help us search and learn what studies and research have already been conducted regarding our topic:

Business agility, HRM, e-business, SME

Similar keywords were also used to increase our findings, such as 'organizational agility', which is another term for 'business agility'. Other similar examples are: 'HR', 'human capital', 'human capital management', 'web businesses', 'virtual businesses' and 'e-commerce'. Additionally, we looked through the provided reference lists from the literature that was found to be very relevant, this helped us discover articles and books that were not previously found.

Overall, scarce studies were found when combining the keywords chosen. Many articles came up when searching, yet they were either indirectly related or not available to be reviewed as we were limited financially. The databases used were 'OneSearch' provided by Linnaeus University and 'Google Scholar'. We made an effort to utilize articles that were created after the year 2000. As it can be seen in table 2-1, almost all sources fall under this criterion; nonetheless, exceptions were made for literature that provided great value for our studies and could not be ignored, such as the article 'The impact of human resource management on organizational performance: progress and prospects' by Becker and Gerhart (1996).

Many books and articles were considered for our studies, yet table 2-1 shown below displays the most valuable and utilized sources.

Table 2-1: Literature review

Author	Keywords	Purpose	Results / Findings	Methodology
BUSINESS AGILITY				
Dove, 2001	Knowledge management, response agility, change proficiency, reusable/reconfigurable/scalable/ structural relationships, knowledge portfolio management, collaborative learning facilitation. (Provided Keywords)	The authors aim to provide a practical approach to making organizations more responsive to change. In other words to acquire 'response ability', which entails the language, structure, and culture within agile companies, which helps them keep up with an ever-changing business environment driven by the increasing application of new knowledge, competition and communication (Dove, 2001).	The book offers a guide for enterprises having difficulties to adjust to rapidly changing contexts and for managers who must introduce agility into an organization or departments within it. It is also a useful tool for support and tutorial for anyone who will partake in the transformation (Dove, 2001).	A book with case studies and theoretical propositions
Camarinha-Matos, et al., 2001	Virtual, agility (Assumed Keywords)	The authors research and develop the phases in the life cycle of a virtual enterprise in which agility can be supported for its effectiveness in the mentioned organizations (Camarinha-Matos, et al., 2001).	The authors developed contributions, which cover the creation, operation, and reconfiguration phases of virtual enterprises in aims to support and enhance agility. Lastly, the authors also mention that more work is necessary towards high-level coordination, advanced cooperative information management, more flexible virtual enterprises creation processes, and support for the virtual enterpise dissolution phase (Camarinha-Matos, et al., 2001).	Qualitative multiple case study
Zhang and Sharifi, 2000	Agile manufacturing; agility drivers; agility capabilities; change; responsiveness (Provided Keywords)	This paper focuses on discussing the concepts and the development of a methodology to achieve agility in the manufacturing sector with aims to guide organizations within this sector to adapt to the new conditions that the new business environment presents (Zhang and Sharifi, 2000).	The authors provide a methodology that suggests an understanding of the manufacturer's business environment, most importantly, the authors propose steps to lead them to resolve the difficulties and problems as well as provide ways on how to exploit the emerging opportunities of the new business environment (Zhang and Sharifi, 2000).	Quantitative and qualitative via surverys and interviews respectively

Author	Keywords	Purpose	Results / Findings	Methodo-logy
Mathiassen and Pries-Heje, 2006	Business agility, information technology (Assumed Keywords)	The purpose of this article is to analyze the recognition of the important impact agility has had on organizational studies within the information technology (IT) industry. Moreover, the extensive literature on agile development approaches has scarce links to the considerable literature on organizational agility. Also, the purpose is to create a strong foundation for continued studies of the relationship between business agility and the diffusion of IT into organizational contexts (Mathiassen and Pries-Heje, 2006).	This paper shows that the careful adoption of agile software practices at the process level can lead to significant improvements in technology performance (Mathiassen and Pries-Heje, 2006).	Literature review of various authors
Oosterhout, et al., 2005.	Business agility, agility enablers, agility key drivers (Assumed Keywords)	The overall research objective of this paper was to come up with a framework to analyze and determine drivers for business agility while measuring the gaps between the current level of business agility and the level of business agility needed (Oosterhout, et al., 2005).	The findings show that although some common drivers exist, key drivers differ across industries. The findings show that there are no established measurement framework for business agility available in the literature. Thus, the authors develop a new theoretical framework based on previous literature and the use of structured questionnaires and interviews of the case studies (Oosterhout, et al., 2005).	Quantitative and qualitative multiple case study (specific to Netherlands)
Winby and Worley, 2014	Agility, speed, innovation (Assumed Keywords)	The purpose of this article is to describe the parallel management capability of agility, speed and innovation. Moreover, the authors aim at describing the design of agile organizations and a management process that can support continuous innovation with speed and quality by testing the AWS (Adaptive Work Sytem) model found in theory (Winby and Worley, 2014).	Agility provides information about how and why leadership and strategy choices are made as inputs. The AWS model and agility framework provides details and insights about how to effectively manage for long and short term success, and leadership and strategy describe how to leverage environmental scanning into capability improvement and development (Winby and Worley, 2014).	Qualitative case study

Author	Keywords	Purpose	Results / Findings	Methodo-logy
Grantham, et al., 2007	Corporate agility, agility, globalization (Assumed Keywords)	The authors of this book aim at providing a historical overview of corporate agility, how and why corporate agility should be adopted and applied in a world that is globalizing, thus, becoming flat (Grantham, et al., 2007).	The authors provide a blueprint and guideline on corporate agility for the modern international corporate context (Grantham, et al., 2007).	A book with qualitative case studies
HUMAN RESOURCE MANAGEMENT + BUSINESS AGILITY				
Nijssen and Paauwe, 2012	Agility; dynamic environment; institutional pressure; strategic response (Provided Keywords)	The purpose is to develop a framework which determines how organizations may survive in a dynamic environment caused by the economic crisis, by identifying organizational practices which are important determinants of organizational agility (Nijssen and Paauwe, 2012).	The authors developed a range of capabilities and practices within the firm and on an institutional level to help orgaizations survive the unforeseen dynamics in an economic crisis (e.g. economic meltdown in 2008). Moreover, the authors provide a framework that can be used for companies that want to be prepared for the next economic crisis (Nijssen and Paauwe, 2012).	Theory propositions (to be tested)
Dyer and Ericksen, 2005	Agility, human resource, flexibility (Assumed Keywords)	The purpose of this writing is to craft and present guiding principles that promote flexibility and freedom, guiding principles to guide discipline and order as well as to look into and discuss how HR and other business functions can interact to foster a more flexible and effective workforce (Dyer and Ericksen, 2005).	The findigns show that firms which depend on market-place agility face "the Hobson's choice: to prod the extant system for a few addtional fragments of flexibility or take a bold step into the abyss of self-organization" (Dyer and Ericksen, 2005).	Theory propositions (to be tested)
Becker and Gerhart, 1996	Human resource, organizational performance (Assumed Keywords)	The authors aim to advance research on the link between HRM and organizational performance. Moreover, the authors study and elaborate on why HRM decisions are likely to have an important and unique influence on organizational performance (Becker and Gerhart, 1996).	The authors identified key unresolved questions in need of future studies and make several suggestions intended to help researchers studying these questions, build a more cumulative body of knowledge that will have key implications for both theory and practice (Becker and Gerhart, 1996).	Literature review / propositions (to be tested)

Author	Keywords	Purpose	Results / Findings	Methodo-logy
Shafer, et al., 2001	Human resource, organizational performance, agility (Assumed Keywords)	This case study focuses primarily on how HR strategy or streategies that emerge over time can foster the successful attainment of organizational agility (Shafer, et al. 2001).	The authors main findings: little is known about crafting a HR strategy to enhance marketplace and organizational agility, organizational agility does not happen organically, guiding models facilitate the formation of an agility-oriented HR strategy, a limited number of integrated or synergistic HR initiatives define an agility-oriented HR strategy, and key HR initiatives guide the choice of HR and practices (Shafer, et al. 2001).	Qualitative case study
Horney, et al., 2014	Agility, human resource, (Assumed Keywords)	To explore how HR professionals use agility to help transform their organizations and HR processes to respond to external opportunities and threats in turbulent business climates (Horney, et al., 2014).	The authors mention that the alignment between people, processes and technology is key to conduct business while anticipating change and remaining focused on the vision and leadership practices will help the organization succeed in an ever-changing environmnent (Horney, et al., 2014).	Theory propositions (to be tested)
Wright and Dyer, 2000	Job, research, practice, firm, performance, challenge, business (Provided Keywords)	To explore and gain in-depth knowledge regarding the new challenges in HR units that have risen with the expansion of e-businesses (Wright and Dyer, 2000).	The findings state that e-businesses' potential lies not in the technology itself, but in how employees can adopt the technology and the information provided. This research also indicates that the lack in supply of HR managers for e-businesses is an issue. And lastly, the major implication for HR in e-businesses is that HR must become better, faster and smarter (Wright and Dyer, 2000).	Qualitative multi case study

Author	Keywords	Purpose	Results / Findings	Methodo-logy
HUMAN RESOURCE MANAGEMENT + E-BUSINESSES				
Dietz, et al., 2006	HRM, SMEs, management, e-commerce, new economy, UK (Provided Keywords)	The authors aim to explore how HR practices are used by e-businesses as well as the policies in the realm of HR. The authors explore the areas of employee involvement in decision-making, internal communication, financial participation and reward schemes, performance evaluation, training and provisions for employment security (Dietz, et al. 2006)	The findings indicate that the new and old HR techniques are somewhat parallel to the HR techniques found in SME's depending on certain areas of the business (Dietz, et al. 2006).	Quantita-tive survey and qualitative case studies (specific to UK e-businesses)
HUMAN RESOURCE MANAGEMENT + SMES				
Harney and Dundon, 2006	Human resource management, open systems theory, small-to-medium sized-enterprises, complexity, contingency theory (Provided Keywords)	The purpose of this article is to challenge the limitations of existing theory on the topic of HRM, mainly to analyze and part from the stereotypes in current literature in the topic of HRM in SMEs (Harney and Dundon, 2006).	The findings state that HRM was not the consistent set of practices commonly found in literature but rather informal and evolving. Moreover, HRM in SMEs is not faultless and consistent but rather a distinct mix of policies and practices, at times it is found that it can even be contradictory (Harney and Dundon, 2006).	Qualitative multi case study
Arthur, 2004	Human resources, human resources management, personnel (Assumed Keywords)	The purpose of the book is to provide a complete introduction to HRM for the general business manager. Moreover, the book outlines the history of personnel/HR and identifies the qualities recommended for today's successful HR practitioners (Arthur, 2004).	A historical overview of HRM to provide specific recommendations for HR managers (Arthur, 2004).	Book with case studies

Author	Keywords	Purpose	Results / Findings	Methodo-logy
Brand and Bax, 2002	Strategic human resource management, SME, human resources (Assumed Keywords)	The purpose of this writing is to look into the serious HR problems encountered by small firms given that strategic HRM and the specific issues of SMEs is rarely addressed (Brand and Bax, 2002).	The authors found that when the small firms efficiently organize its labor demand, the small firm's position on the labor market is solifdified. On the other hand, the authors also found that, although general support exists for the idea that strategic HRM is relevant for small firms, the available knowledge is very descriptive, fragmented and without supported theorethical guidelines for SMEs, thus, further studies are needed on the area (Brand and Bax, 2002).	Theory application with multiple case studies
Galabova and McKie, 2013	Strategic human resource management, SME, human resources (Assumed Keywords)	This paper explores the extent in which SME's managers understand and foster human capital well-being as factor that influences the performance of the company (Galabova and McKie, 2013).	The findings entail that whilst SME managers care for knowledge, skills and experience as key elements of human capital, peoples' soft skills and attributes, such as attitude, willingness and ability to learn and develop, and enthusiasm about their work are given priority (Galabova and McKie, 2013).	Qualitative multi case study (specific to service SMEs from Bulgaria, Finland and Scotland (UK))

The literature review displays that there is vast literature on business agility. Authors such as Grantham, et al. (2007), Zhang and Sharifi (2000), Dove (2001) and Winby and Worley (2014) provide literature, guidelines and methodology for the managers and organizations that desire to adopt and adapt to agility. The aforementioned authors touch upon different elements and angles surrounding the adaptation to agility, by being responsive to change, increasing speed and innovation, enhancing and enriching language, structure, and the culture; nonetheless, the aim of all these authors is parallel. Other authors, such as Oosterhout, et al. (2005) came up with a framework to determine business agility by going in depth into each element that enables business agility and that gaps found when applying it to live cases. Mathiassen and Pries-Heje (2006) also take on business agility by applying what is known on business agility in the IT industry.

In sum, business agility is a well-known and studied concept, and studies have been done to deconstruct and develop it further as well as discovering how to make fruitful use of it in the business field; thus we have used the aforementioned authors and their work to support us with good ground to develop our studies on. Moreover, the predominant years when the literature was created range between the years 2001 and 2007, except the article 'Management processes for agility, speed, and innovation' by Winby and Worley, which was written in 2014.

HRM and business agility is the combination that we used considerably to construct our study as it is the core of our study. It is known that most businesses have formal or informal HR routines, also known as HRM, given that businesses employ people, known also as HR. Moreover, business agility can be achieved and adopted via HR as it is a flexible and adaptable resource, thus many authors have recognized this connection and delivered valuable work. The authors Becker and Gerhart (1996), Wright and Dyer (2000), Shafer, et al. (2001), Dyer and Ericksen (2005), Nijssen and Paauwe (2012) and Horney, et al. (2014) in different ways provide literature regarding how HR can be managed to foster, adopt or utilize business agility in aims of showing organizations how to survive in a dynamic, ever-changing and more technological environment, as well as creating competitive advantage to face a world that is globalizing and becoming flat. Wright and Dyer (2000) also take these terms and apply them to one type of company that has been rapidly growing, which is the e-business type. Wright and Dyer (2000) conducted studies on large e-businesses and concluded that business agility is rather a practice that can and must be adopted by e-businesses; however, these authors did not touch on SME e-businesses. Camarinha-Matos, et al. (2001) did a similar study on supporting business agility in virtual enterprises, yet, this study is focused on the virtual enterprise, its life cycle and in which stages of this cycle business agility can be applied and supported for its effectiveness. Similarly to Wright and Dyer (2000), Camarinha-Matos, et al. (2001) did not mention, nor explore SME e-businesses.

As a result, it is found that many authors have realized the importance and correlation between HRM and business agility, thus they have researched and studied this correlation, yet quite scarce literature is found regarding the e-business context and no literature was found regarding business agility in the SME context.

Concerning the combination of HRM and e-businesses, the prominent authors used for our studies are Dietz, et al. (2006) who studied the HRM within e-businesses. It is key to mention that this study was performed in the United Kingdom (UK); nonetheless, given the nature of e-businesses, the findings of these authors can be considered relevant and useful on other similar contexts, such as other developed European countries, which is the context we placed our studies in. Correspondingly, Dietz, et al. (2006) discovered that in the e-business context, new and old HRM techniques are somewhat parallel to the HRM techniques found in SMEs.

The terms 'HRM' and 'SMEs' were also used largely as they take on two main areas of the core of our study. The main authors utilized are Harney and Dundon (2006) who in their work 'Capturing complexity: developing an integrated approach to analyzing HRM in SME' find that HRM in SMEs is often informal and evolving, Arthur (2004) who provides a historical overview of HRM to provide specific recommendations for HR managers, Galabova and McKie (2013) embarks on discovering in depth knowledge regarding the employees' tacit skills and desires as well as their well being in means to support organizational performance and success, and Brand and Bax (2012) who state that studies concerning HRM in SMEs is very scarce and fragmented, hence, calls for more importance given to this area of study. Most of the authors have parallel findings, such as stating that the majority of SMEs does not possess solidified HRM, yet, when they do, SMEs benefit greatly as they stand out from the others. Most of the authors also recognize that there is a need for more studies pertaining to the area of HRM and SMEs.

We realized that most of relevant literature used in our work has mainly been qualitative given the nature of HRM and SMEs. HRM for the most part requires in depth studies as it deals with people and organizational behavior; similarly, SMEs are known not to maintain banks of data to be studied as they have limited resources, and do not have organized routines and structures, given their size and focus. Thus, the aforementioned characteristics give room to qualitative studies to be the main alternative over quantitative. It is also found that most of the HRM studies do not go in depth when it comes to the SME context as they have historically been considered too small to matter. Moreover, with the rise of e-businesses and the shift of current businesses into e-commerce, more emphasis is found to be necessary for SMEs, as

most e-businesses are SMEs which account for a growing and sizeable part of developed economies.

The literature used to develop our study revealed that several researchers, such as Dyer and Ericksen (2005) and Nijssen and Paauwe (2012) developed theoretical frameworks. Yet, the theoretical propositions have not been applied in case studies so far. Therefore, there is a need to apply the theoretical frameworks to real-life scenarios.

In the big picture, business agility is somewhat of a modern business term; the same is the case for e-businesses. As a consequence, authors, including us, are on the task of fully researching and applying business agility to different business areas and contexts.

3 Theoretical Framework

In this chapter we analyze the most important literature on the concept of business agility and on HRM, which are the core concepts of this study. Finally, we narrow the discussion of previous literature to e-businesses and to SMEs that outline the characteristics of the units to be studied in the case studies.

3.1 Business Agility

The concept of agility originated at the end of the eighties and in the early nineties in the manufacturing sector in the United States of America (USA) (Oosterhout, et al. 2006). Eventually, agility became a more accepted business term and spread out to the entire business world, which gave birth to business agility. Dove (2001) defines business agility as the ability to manage and apply knowledge effectively, so that an organization has the potential to thrive in a continuous changing and unpredictable business environment. Similarly, Hooper, et al. (2001) argue that business agility is the competence of an enterprise to develop and exploit its inter- and intra-organizational capabilities. Zhang and Sharifi (2000) advocate for business agility as being primarily concerned with the ability of enterprises to cope with unexpected changes, to survive unprecedented threats from the business environment, and to take advantage of changes as opportunities. Furthermore, Wright and Dyer (2000) mention that agile e-businesses achieve sustainable competitive advantage by crafting and integrating the components of organizational capability towards improving a firm's capacity to sense the market, mobilize rapid response, and embed organizational learning to create a continuous stream of emergent business strategies to enhance marketplace agility. Likewise, Ramasesh, et al. (2001) claim that business agility represents the successful exploration of competitive bases such as speed, flexibility, innovation proactivity, quality, and profitability. This exploration entails the integration of reconfigurable resources and best practices in a knowledge-rich environment to provide customer-driven products and services in a fast changing market environment (Ibid.).

As it can be observed, consensus on a definition for business agility has not yet been fully solidified (Oosterhout, et al. 2006). Moreover, there still exists confusion on the terms 'flexibility' and 'agility' (Wadhwa and Rao, 2003). Wadhwa and Rao (2003) state that flexibility is defined as a predetermined response to a predictable change, while agility entails an innovative response to an unpredictable change.

Flexibility focuses on single systems for low to medium rates of change, while agility is focused on grouped systems to deal with rapid and constant changes (Ibid).

Dove (2001) supports the previous authors by stating that agility implies more than the ability to respond to unforeseen change (response ability), but also to act proactively with regards to change through knowledge management.

As mentioned in the introduction chapter, SME e-businesses have specific characteristics that presses them to adopt business agility. Some authors have studied the causes that create the need for business agility. Some of those authors include Levary (1992) who describes external changes of competition, economic environment, customer taste, and unpredictable occurrences in the marketplace as causes for the need for business agility. Zhang and Sharifi (2000) also study the causes for the need of business agility and classify them as changes due to market, competitiveness, customer requirements, technological and social factors.

Furthermore, Camarinha-Matos, et al. (2001) recognize that business agility is crucial for success in periods of market turbulence and unforeseeable socio-economic changes. The authors Brown and Agnew (1982) and Milliken (1987) support the need for business agility by stating that many problems faced by the modern corporation require an ability to respond effectively in an uncertain world. To be effective, the corporation must have the capacity to react quickly to changing circumstances - it must be agile. Business agility requires more than flexibility, it also requires the commitment of key resources to output-oriented goals (Brown and Agnew, 1982).

3.1.1 Agile Organizations
Mathiassen and Pries-Heje (2006) recognize that agile organizations respond quickly, they are resourceful and they are able to adapt to their environment. Quickness represents the speed in which an organization can respond to customer demands, market dynamics, and emerging technology options; this includes the time to sense relevant events, time to interpret what is happening while assessing the consequences for the organization, the time to explore options and decide which actions to take, and the time to implement appropriate responses (Haeckel, 1999).

Haeckel (1999) states that resourcefulness means that the capabilities within the organization, including people, technology, processes and knowledge, which are both tangible and intangible, offer the base for doing business and for instantiating change. Adaptability entails how well the organization reacts to ever-changing

demands, threats, or opportunities; for this to happen, there must be learning as well as flexible processes and products that can be reconfigured without extensive additional costs (Haeckel, 1999; Dove, 2001).

Oosterhout, et al. 2005 distinguish four strategic dimensions pertaining to business agility: enriching customers, cooperating to compete, leveraging resources, and mastering change. By the same token Goldman, et al. (1991) in Oosterhout, et al. (2005) describe four dimensions of agility as enriching the customer, cooperating to enhance competitiveness, organization to master change and uncertainty, and leveraging the impact of people and information.

Moreover, researchers have studied ways on how to achieve business agility and some researchers such as Oosterhout, et al. (2005) identify HRM as an enabler for business agility. Winby and Worley (2014, p. 226) also state that "[t]here is little chance of being agile if an organization cannot design and operate [...] human resource practices". Research states that with regards to the rapid changes in the environment, a business needs to be able to rapidly adapt its workforce, given that HR is a businesses most valuable asset (Grantham, et al., 2007). Thus it is widely recognized that HRM is an important element to achieve business agility.

3.2 Human Resource Management

HR is a central part of a business (Grantham, et al., 2007). Boxall and Purcell (2011, p.1) affirm that "it is virtually impossible to a grow businesses […] without employing people", which makes a company's staff a very important resource.

According to Arthur (2004, p.4), HRM is about "making the most of human resources potential". Milmore, et al. (2007) expand on that by stating that it is the employee's' capabilities that represent an important part of a company's strategic capability. Stone (2008), in line with Milmore, et al. (2007), states that HRM is meant to increase the staff's productive contribution and Torrington, et al. (2014) highlight that the right HR practices positively influence the likelihood for a company to meet the business objectives.

Tung (2016) mentions that researchers, as well as practitioners and policy making entities agree on the fact that human capital plays a crucial role for a company's competitiveness on an international level. Also, Patterson, et al. (1997) state that good HRM positively contributes to the competitive advantage of a company.

Vivares-Vergara, et al. (2016) define HRM as a compilation of policies and practices that help to build organizational capabilities by using the human talent of

the organization. Boxall and Purcell (2011) similarly define HRM as an organization's activities and conditions to manage work and the people who are responsible for doing the work; these authors emphasize that HRM needs to be a shared issue that all managers in a company need to care about (Ibid). Furthermore, Boxall and Purcell (2011) argue that HRM is always impacted by its environment and that HRM can only be successful when it is understood in the wider context.

Various authors provide similar sets of more concrete activities that can be grouped under the name of HRM. Boxall and Purcell (2011) elaborated the 'AMO model', which aims at achieving individual performance of the employees. A business needs to promote the individual ability (A) of its workforce, it needs to motivate (M) the employees and lastly, a business has to give the employees the opportunity (O) to perform (Ibid). Torrington, et al. (2014) name recruiting, retaining, motivating and engaging of employees as core activities of HRM. Also, Boxall and Purcell (2011), under the category of employment policies and practices, list recruiting, selecting, deploying, motivating, appraising, training, developing and retaining human capital as key HRM activities. Moreover, Stone (2008) provides a similar but more comprehensive list of HRM activities; namely: job analysis, HR planning, recruitment, selection, performance appraisal, HR development, career planning and development, employee motivation, remuneration and benefits.

Boxall and Purcell (2011) highlight that companies need to design their HRM activities in a way that they are able to persist in the long run and that they need to contribute to a company's organizational flexibility. The term 'strategic HRM' was coined to represent the company's efforts to better align their HRM activities with the overall business strategy (Stone, 2008). Thus, the "strategic HRM objectives must accurately reflect the strategic objectives and values of the organisation" (Stone, 2008, p. 24) to make sure that the HRM activities are directed at the right overall goals, instead of independently targeting other objectives (Ibid). Consequently, HRM has to be capable to deal with immediate or short term issues and also dispose of a long run agility "to survive in an environment that can change radically" (Boxall and Purcell, 2011, p. 1).

The key challenges that HRM faces today are diversity, workplace illiteracy, telecommuting and virtual management, integrating a contingent workforce and work/life programs (Arthur, 2004). Also, the recent economic tumults created a

different external environment that the HR functions need to adapt and react to; this requires a close alignment of HR practices and an organization's strategy (Ibid).

3.2.1 Human Resource Management and Business Agility

Authors such as Nijssen and Paauwe (2012) have developed a heuristic framework to identify how organizations survive in a complex environment by identifying organizational practices, which are important determinants of organizational agility, such as the way in which an organization can scale its workforce, maintain and extend its knowledge base and is able to balance both control and autonomy through its organizational infrastructure (Ibid).

The practices mentioned by Nijssen and Paauwe (2012), as well as the practices identified by Dyer and Ericksen (2005) and Camarinha-Matos, et al. (2001), mainly cover the responsibility of an organization's HRM, those are taken up in this chapter. Dyer and Ericksen (2005) amplify the scalability of the workforce found by Nijssen and Paauwe (2012) by reverting to the theory of self-organizing systems in complex and uncertain environments. The authors state that, on the one hand, it is important to foster freedom and flexibility through creating a fluid and flexible leadership-enforcing organizational structure, through structuring work according to tasks rather than according to job positions, through enhancing relationships and collaboration, through minimizing barriers for self-initiative, such as welcoming feedback and allowing employees to start projects on their own, and through fostering continuous learning by, for example, creating a learning environment and supporting employees that want to expand their knowledge (Ibid). On the other hand, Dyer and Ericksen (2005) emphasize the need for discipline and order through common purpose in terms of having a shared vision and core values, contextual clarity meaning the awareness of the competitive situation the company operates in, and ownership of outcomes, thus, personal accountability as important principles (Ibid).

Moreover, Camarinha-Matos, et al. (2001) argue that there are major challenges faced by enterprises which create drag towards adopting business agility; among those we find creating a culture of cooperation among employees and departments; building trust among team members; bridging inter-cultural differences to facilitate communication and progressiveness, as well as cooperativeness; redefining the internal organization of the companies, as well as defining new internal roles which helps the adaptability of a business; and planning appropriate training programs that help HR to develop in their respective fields (Ibid).

With a focus on HRM characteristics and practices, authors such as Dyer and Shafer (2003) recognize that the development that drives dynamic competitive conditions has opened up exciting theoretical and empirical venues for researchers; nonetheless, some areas of HRM have yet to catch up regarding its impact on the dynamic competitiveness of a company. Likewise, Becker and Gerhart (1996) have also researched and described the root cause of why HRM decisions are likely to have an important and unique influence on organizational performance in an ever-changing business world; Becker and Gerhart (1996) explain that this root cause is a mix of HR being able to improve efficiency as well as to contribute directly towards revenue growth; moreover, HR is the most expensive resource that most businesses face.

Some authors have done work on how to achieve business agility via HRM, such as Shafer, et al. (2001) that identify five concrete key HR initiatives that contribute to business agility. The authors, similar to Dyer and Ericksen (2005), name achieving contextual clarity, meaning the transparency about change processes throughout the organization; embedding core values, which refers to anchoring the core values of the organization in the employees' value systems; enriching work, thus, a working attitude guided by the core values and characterized by the willingness to learn and improve; promoting personal growth as the proactive approach towards personal learning and improvement and providing commensurate returns in form of monetary and nonmonetary performance-linked remuneration (Ibid).

More specifically, Horney, et al. (2014) focus on the Chief Human Resource Officer's (CHRO) possibilities to achieve business agility. The authors list five different business agility drivers that can be enhanced through HRM: anticipating change by becoming aware of the external business environment, generating confidence through empowering and supporting employees, initiating action by starting projects and challenging members in the team, liberate thinking by accepting and welcoming all ideas, and lastly, evaluating results to be able to check and adjust if necessary. Horney, et al. (2014) break these enablers down to key processes that can be fostered through HRM; the key processes are in line with the characteristics found by Camarinha-Matos, et al. (2001), Shafer, et al. (2001) and Nijssen and Paauwe (2012) and these key processes are: anticipating change refers to constantly monitoring the environment and knowing about the actions of competitors, generating confidence is about a transparent communication of the vision of the

company and about engaged employees, initiating action focuses on short processes and rapid learning, liberated thinking means an open communication of ideas and the encouragement to think out of the box, and lastly, evaluating results concentrates on giving feedback and rewards for what has been achieved (Horney, et al., 2014).

Wright and Dyer (2000) designed a model which is focused on HRM in e-businesses, whose idiosyncrasies are taken up in the next chapter; however, these authors focus on large e-businesses and on brick-and-mortar companies that adopt the e-channel in addition to the traditional business channels. Wright and Dyer (2000) identified three key organizational competencies of agile e-businesses that can be enabled through HRM: sensing the market by learning and understanding how the market is moving, mobilizing rapid response via having an adaptable and flexible organization, and embedding organizational learning by fostering and supporting a learning environment. Furthermore, Wright and Dyer (2000) highlight the following characteristics as important for the employees of agile e-businesses: proactivity, adaptivity and generativity; these characteristics are broken down in seven focal behaviors, which are: "initiate, innovate, assume multiple roles, rapidly redeploy, spontaneously collaborate, educate and learn". In order to attract and retain employees, Wright and Dyer (2000) identify the following three key HR principles, which are in line with Camarinha-Matos, et al. (2001), Shafer, et al. (2001), Dyer and Ericksen (2005) and Nijssen and Paauwe (2012), those are: first, attain autonomy with accountability, regarding the level of power along with responsibility offered to employees; second, forge common purpose, by allowing the team to support and direct itself towards the same goals while achieving contextual clarity; third and last, promoting personal growth, develop mutual support and provide commensurate returns, with the goal of incentivizing and motivating employees (Wright and Dyer, 2000).

Concluding, it can be said that previous research seems to have reached a consensus on what organizational factors are important to achieve business agility.

3.3 E-Businesses

E-businesses are a phenomenon that has been intensely studied during the years of the dotcom boom and bust (Boudreau, et al., 1998; Dai and Kauffman, 2002; Timmers, 1998; Mahadevan, 2000; Amit and Zott, 2001; Tetteh and Burn, 2001; Wirtz, 2001; Katz, et al., 2003; Fritz, 2004). It is, however, important to know that researchers acknowledge that e-businesses are still a widespread type of business

model and that the e-businesses continuously evolve in the course of the developments in IT (Clemons, 2009; Wielki, 2010; Pisano, et al., 2015).

Amid and Zott (2001) realize that as we enter the 21st century, business conducted over the internet, with its dynamic, rapidly growing, and highly competitive characteristics, promises new avenues for the creation of wealth. Established firms are creating new businesses online, while new ventures are exploiting the opportunities the internet provides. Pisano, et al. (2015) argue that new business models arise out of the rapid technological innovations, the globalization and the following high level of uncertainty. Furthermore, the authors state that today "organizations are running activities not to compete in a specific industry, but in innovative trends" (Pisano, et al., 2015, p. 182). According to Wirtz (2001), traditional business model concepts and typologies cannot be applied to this increasing number of e-businesses that emerged as a consequence of the spread of the internet. The need for a different type of business model stems from the changes in the market environment and in the competitive environment (Ibid).

Mahadevan (2000) proposes three different streams at the core of e-businesses: the value stream, the revenue stream and the logistical stream.

According to Mahadevan (2000), the value stream underlies the two other streams and is thus crucial for the survival for an e-business. E-businesses can create value through virtual communities, providing possibilities to reduce transaction costs, exploitation of information asymmetries or a value-added market-making process (Ibid). Amit and Zott (2001) sustain the theory on the value stream by recognizing that e-businesses have the potential of generating value through the use of four sources: efficiency, complementarities, lock-in, and novelty. Efficiency is identified as one of the primary value drivers for e-businesses. Complementarities exist whenever items are bundled and offer more value as a group than as if items were separate. Lock-in refers to how an e-business creates value by motivating customers to engage in repeating transactions. And last, novelty can be achieved by introducing new products and services or by tapping into new markets and marketing (Ibid).

Furthermore, Mahadevan (2000) mentions six revenue stream opportunities for e-businesses that are not available to traditional brick-and-mortar companies: increased margins due to lower transaction costs, revenue from online communities that link buyers and sellers, advertising, variable pricing strategies, exploitation of information asymmetries, and free offerings to assure future revenue streams (Ibid). Clemons

(2009) expands on that and urges that e-businesses need to be build around various sources of revenues. Clemons (2009) states that it is possible to monetize through selling physical goods via the internet, through selling virtual goods as information, and by selling online software (Ibid). Also, Timmers (1998) provides possibilities of revenue creation for e-businesses, namely subscription fees and the sale of software and consultancy.

Logistical streams emerge by shortening the supply chain through dis-intermediation, through info mediation and meta-mediation (Mahadevan, 2000). The logistical stream is a good starting point for the definition of the role and position of an e-business in the market-structure; however, different types of companies might benefit to different extents from the available options (Ibid).

In addition, Boudreau, et al. (1998) define characteristics of e-businesses and demonstrate how these characteristics improve global competitiveness. First, dependence on a federation of alliances and partnerships with other organizations is a characteristic of e-businesses that points out that corporate functions can be easily integrated with functions provided by allied partners to enhance and extend corporate reach worldwide. Second, relative spatial and temporal independence implies that geographical boundaries can be easily transcended providing competitive presence in global markets and improving access to natural and human resources. Third, flexibility is a characteristic that shows that resources in e-businesses can be easily reassigned to respond to shifting opportunities in global markets (Ibid).

3.3.1 Human Resource Management in E-Businesses

According to Baron and Hannan (2002), organization-building is rather considered a time-consuming matter that holds back a company in the era of internet-speed-developments (Ibid). However, Dietz, et al. (2006) found that e-businesses, even if very small, have a more formalized and professional HRM in place, than do regular SMEs.

Dietz, et al. (2006) highlight that even though they found standardized and formalized HRM practices in e-businesses, the HRM practices were not designed in a strategic way. The authors state that when it comes to strategic decisions it is the founders that determine the HR strategies (Ibid). Wright and Dyer (2000, p. 53) confirm this observation and add that e-businesses focus rather on "solving problems quickly and then analyzing the solutions" because of the rapidly changing external environment.

According to Holocombe Erhart and Chung-Herrera (2007), a difficulty in e-businesses is that the tech-related employees might have little understanding of the business employees' field of work and vice versa. Wright and Dyer (2000) add that it frequently is technology employees without proper people management skills that are promoted to management positions.

The management of young people represents another challenge in e-businesses (Wright and Dyer, 2000). It is mostly younger people who possess the required technological skills, which becomes problematic, due to the differing values of young employees. The management of young people also implies a problem of acceptance of the mind-set and expertise from these young people by more mature employees (Ibid).

Holocombe Erhart and Chung-Herrera (2007) who focus on e-service businesses point out a number of HRM activities that are especially useful in the e-context. Amongst others, web-based recruiting could be used to attract foremost people who have a basic level of technological understanding (Ibid). Wright and Dyer (2000) support the previously mentioned idea by emphasizing that HRM needs to leverage technology to keep up with the rapid changes.

3.4 Small- and Medium-Sized Enterprises

SMEs represent a very specific type of company. According to Hudson, et al. (2001) the typical SME has limited resources, limited cash-flows, few customers, concentrates on current performance, rather than taking a strategic focus, often has a flat organizational structure, and possibly high staff turnover. Most of SMEs lack the capabilities or resources to create suitable optimal strategy based on a rational assessment of the external business environment in which they operate (Simpson, et al. 2012).

According to Gunasekaran, et al. (2011) SMEs are quite vulnerable and very susceptible to competition from likely structured companies and large corporations. In contrast, SMEs have several advantages over a large company due to their size and flexibility in adapting to changes (Ibid). Gunasekaran, et al. (2011) state that in the modern global market, SMEs need to compete not only with traditional rivals, but also with overseas firms. Thus, SMEs must be very flexible and adaptable to change given their vulnerability and susceptibility to larger competitors (Ibid).

Levy and Powell (2005) support the statement that SMEs are more exposed to larger external market forces and state that market uncertainty is high with most SMEs as they usually have a smaller share of the market. Also, Levy and Powell (2005) mention that SMEs are mostly price-takers as prices are determined by larger enterprises, which are more influential and have a large share of the market. According to Hadjimanoulis (2000), SME's strategies are mainly informal and medium to short term. SMEs primarily adopt a differentiation strategy, focused in making the product or service different from the ones already existing in the market, which enables SMEs to succeed as it rapidly exploits a gap in the market (Levy and Powell, 2005). Investment in product innovation is usually the main strategy for growth; it also allows the SME to focus on quality, innovation and flexibility in delivering the product or service (Burns and Harrison, 1996).

Research on organizational structures of SMEs finds that their structures are more formal, organized and decentralized than is widely thought (Meijaard, et al., 2005). Also, many smaller firms tend to be more specialized than their larger counterparts (Ibid).

Other research recognizes that the firm-size of SMEs gives rise to the owner-manager being a fundamental element of the organizational structure (Levy and Powell, 2005). The smaller the company, the less structure it reveals and the more influence the owner-manager has. The owner-manager represents the core node of the company, given that all employees need to report to him or her and at the same time it is the owner-manager who delegates tasks (Ibid). Lappalainen and Niskanen (2012) state that the strong influence of the owner-manager in the company's daily activities can influence the company negatively. If the owner-manager owns a large part of the shares he or she will be more risk-averse and more likely to not implement strategic growth options (Ibid). Levy and Powell (2005) emphasize that the fact that the owner-manager is a central person rests upon the employees trying to avoid formal structures that are implemented once the firms grow and instead, stick to the informal structures previously valid.

The changes that the business environment underwent in the course of globalization create contradictory pressures for companies, which require the companies to respond by adopting versatile organizational structures (Lasserre, 2012). Lasserre (2012) reveals that SMEs nowadays are exposed to global competition through the internet and thus, are forced to coordinate and centralize

their actions to manage efficiently and at the same time to decentralize in order to respond to the different demands across the globe.

Despite the abundance of research on organizational structures of SMEs, Levy and Powell (2005) emphasize that the hierarchical structure of an SME depends on the type of business it is involved in. Meijaard, et al. (2005, p. 94) agree by stating "we do not find that there is 'one best way of organizing".

3.4.1 Human Resource Management in Small- and Medium-Sized Enterprises

Harney and Dundon (2006) highlight that HRM in SMEs rather focuses on measures for survivability and adaptability instead of developing a formal HR strategy. The authors add that SMEs depend on a complex combination of external and internal structures "including resource constraints, managerial influence and proximity to environmental forces" (Harney and Dundon, 2006, p. 67), which makes SMEs HR strategy reactive to the external influences (Ibid). In line with the resource constraints, Arthur (2004) explains that companies usually do not dispose of a separate HRM department in its early stages. Therefore, specific HRM programs, such as performance evaluation rarely exist (Ibid). Arthur (2004) continues by stating that HR managers in SMEs can rather be considered as generalist, because the company size does not yet require specialized positions for single tasks.

Brand and Bax (2002) state that HRM in small companies is mostly displayed in a rather informal manner. Brand and Bax (2002), in contrast to authors such as Galabova and McKie (2013), state they did not find an empirical proof for a relation between HRM and performance in small firms.

Galabova and McKie (2013) found that SME managers believe they do not necessarily need a formalized HR strategy. The managers argue that the friendly and open environment in SMEs allows them to solve problems without adhering to formal procedures (Ibid).

The characteristics of the employees are very important for small firms and even more important than these characteristics are in large companies (Deshpade and Golhar, 1994). Therefore, Deshpade and Golhar (1994) stress that the management team of small businesses needs to strengthen the characteristics that are crucial for the firm's success. Contrarily, Galabova and McKie (2013) highlight that what is most important in SMEs when hiring new employees is the willingness to learn and to further develop one's skills, instead of already disposing of certain job-related knowledge.

3.5 Conceptual Framework

The most important concepts and frameworks from the theoretical framework chapter are combined and put in relation to SME e-businesses in a conceptual framework, which is visualized in figure 3-1. The main elements, whose interdependence will be the core of this study, are the HRM in SME e-businesses and the characteristics of a business towards business agility, which have been identified in previous research.
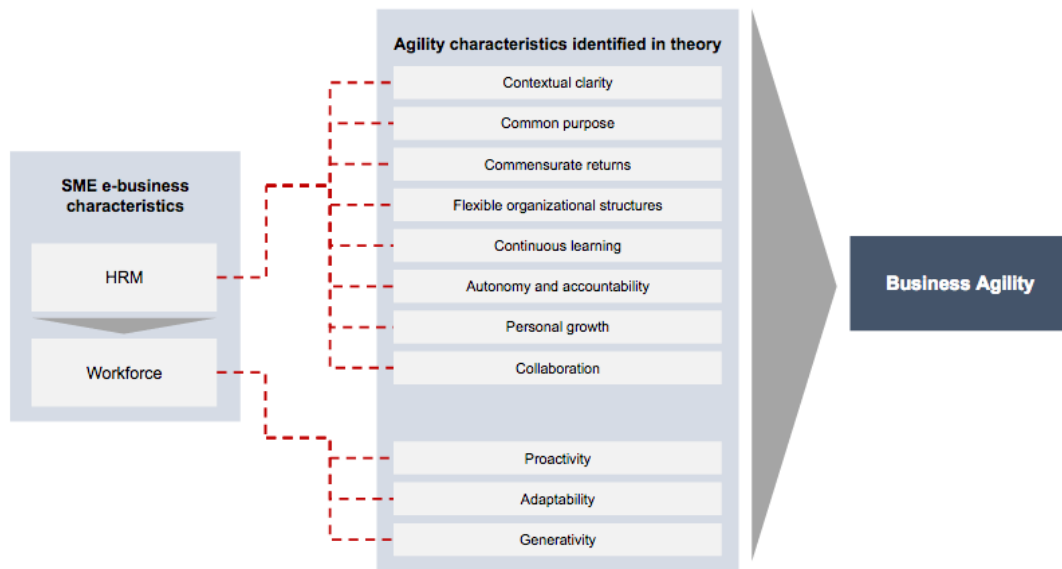
Figure 3-1: Conceptual framework for HRM towards business agility in SME e-businesses

The general structures of the HRM in SME e-businesses, displayed in the box on the left side of the conceptual framework, represent the frame for the HRM practices that foster the 'agility characteristics identified in theory', which are shown in the middle box of the conceptual framework. The general HRM structures of SME e-businesses are targeted by this study to find out whether these structures resemble rather the fairly formalized structures of large e-businesses (Dietz, et al., 2006) or the informal structures of SMEs (Brand and Bax, 2002).

HRM can have a direct impact on business agility as an organizational characteristic by itself. HRM can, for example, contribute to business agility by adopting a flexible structure (Mathiassen and Pries-Heje, 2006) and by organizing its activities in a way that allows them to rapidly embrace changes (Sharifi and Zhang, 2000). Furthermore, HRM, as being responsible to craft the HR of a business (Patterson, et al., 1997; Arthur, 2004; Stone, 2008; Torrington, et al., 2014), can also have an indirect impact on the business agility of an organization by forming the HR

in a way that they are able to improve the organization's capability to rapidly respond to and adapt to a changing environment. The workforce, as it is the core of a business, et al. 2007; Boxall and Purcell, 2011), impacts business agility through revealing characteristics that enable the workforce to contribute to the company's' goals and vision in a way that allows to rapidly shift the focus to face the changed external conditions and demands (Wright and Dyer, 2000).

The pillar 'agility characteristics identified in theory' of figure 3-1 summarizes the characteristics of HRM and of the workforce that contribute towards an organization's business agility. There are eight agility characteristics that we identified in previous research for large and/or non-e-businesses, that can be influenced by HRM:

Contextual clarity has been identified by Wright and Dyer (2000), Shafer, et al. (2001), Dyer and Ericksen (2005) and Horney, et al. (2014) as a characteristic that positively influences business agility. Contextual clarity refers to the transparency regarding the external context of the business, for example, with regards to the market a company operates in. Being well-informed about the external environment facilitates a more adequate commitment of the employees.

Common purpose, in terms of a common vision and shared values that guide the behaviour and activities of the employees, also has a positive impact on the business agility of a company (Wright and Dyer, 2000; Shafer, et al., 2001; Dyer and Ericksen, 2005; Horney, et al., 2014). A solid knowledge on the direction of the company ensures that the business can react to changes in the external environment without losing the focus on the overall vision of the business.

Commensurate returns refers to appropriate returns for the contribution of the employees to the company's success, for example, in form of bonuses (Wright and Dyer, 2000; Shafer, et al., 2001; Horney, et al., 2014). Commensurate returns increase business agility, because they guarantee the employee's commitment.

Flexible organizational structures are a contributing factor towards business agility that Wright and Dyer (2000), Camarinha-Matos, et al. (2001), Dyer and Ericksen (2005) and Nijssen and Paauwe (2012) agree on. Flexible organizational structures refers to being able to scale the workforce according to a company's needs in terms

of tasks that need to be done and to being able to rapidly adapt organizational structures to changing requirements.

Continuous learning has been identified to positively impact business agility. Learning, for example, through trainings, expands the knowledge base of a company and thus, provides a company with a broader skill-set to respond to changes in the environment (Wright and Dyer, 2000; Camarinha-Matos, et al., 2001; Dyer and Ericksen, 2005; Nijssen and Paauwe, 2012; Horney, et al., 2014).

The ability to balance *autonomy and accountability* enhances business agility by allowing the employees to contribute with their own ideas and at the same time making sure that the ideas and actions of all employees pursue the company's goals through holding them accountable for their performance (Wright and Dyer, 2000; Dyer and Ericksen, 2005; Nijssen and Paauwe, 2012).

Personal growth has been identified as an important agility characteristic of businesses (Wright and Dyer, 2000; Shafer, et al., 2001; Camarinha-Matos, et al., 2001). Personal growth was, for example, specified in terms of training programs (Camarinha-Matos, et al., 2011) or in terms of job enrichment (Shafer, et al., 2001). Personal growth does not only expand the skill-set of the employees but also increases their commitment to the company by being able to further develop.

Collaboration is an important agility characteristic, because it enhances relationships (Dyer and Ericksen, 2005), it bridges cultural differences (Camarinha-Matos, et al., 2001) and it promotes mutual support (Wright and Dyer, 2000). Furthermore, collaboration combines the knowledge and skill-set of different employees and thus, provides a well-grounded starting point to strive in dynamic environments.

Furthermore, Wright and Dyer (2000) identified three agility characteristics that rely on the workforce of a company:

Proactivity is a characteristic of the workforce that implies that the employees initiate and innovate processes or actions without being explicitly told to do so. Proactivity further facilitates a timely reaction of the company.

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Adaptability refers to employees that are capable to assume multiple roles at the same time, to rapidly redeploy from one task to another and to spontaneously collaborate when needed. This is especially important in rapidly changing environments, as is the internet-context.

Generative employees are eager to learn and to continuously be educated to expand their horizon. Being generative is crucial to be up-to-date concerning the prompt developments in the e-business sector.

As mentioned in the beginning of this chapter, the aforementioned characteristics have been identified for large and/or non-e-businesses. SME e-businesses dispose of limited resources but also possess possibilities that are not accessible for brick-and-mortar companies, which is why it is important to find out to how the HRM in SME e-businesses is generally structured and to what extent this type of business enables business agility through HRM activities.

The dotted lines between the SME e-business characteristics reflect the ambiguity of the extent to which this type of business fosters business agility through HRM directly, and through influencing the workforce via HRM. In order to find out which of the agility characteristics are present in SME e-businesses and which do not exist, whether the existing agility characteristics are actively pursued by the HRM or whether they exist unconsciously, we developed an interview guideline (see chapter 4.8 and appendix A) used for the empirical data gathering of this study.

4 Methodology

In this chapter we provide the methodological frame for the study. We start by explaining our research approach, go on with the research method and the research strategy. Then, we outline our case study design, explain the selection of case companies and the data collection, especially the use of interviews. Furthermore, we break down the operationalization, the data analysis and conclude with the quality of the research.

4.1 Research Approach

Alvesson and Sköldberg (2009) identify three types of approaches when doing research, namely inductive, deductive and abductive. Inductive research is characterized by observing and exploring a specific phenomenon and then create a base to develop theories from it (Saunders, et al., 2009), this type of approach has its foundation in empirical data which provides the researchers with cases where trends and relations have been spotted (Alvesson and Sköldberg, 2009). Conversely, the deductive research is characterized by starting from a theoretical perspective that is analyzing and studying existing theory (Alvesson and Sköldberg 2009). The abductive approach is a combination of both, the inductive and the deductive research approaches (Alvesson and Sköldberg, 2009). Moreover, the abductive approach is first founded in empirical grounds and then moves to theoretical grounds (Dubois and Gadde, 2002).

Our study commenced with an empirical interest of studying SMEs, their vulnerability and their capabilities, we also had an interest in global future macro trends which lead us to look into SME e-businesses and how they can become more agile in an ever-changing and challenging environment by leveraging their most valuable resource, which we believe to be human capital.

The process of our research was initiated with the inductive approach as we started by observing the impact of SMEs and how they benefit economies, then we developed and narrowed our idea to SME e-businesses given that this type of businesses are forecasted to keep expanding rapidly (Wright and Dyer, 2000). After creating a more concrete idea of where our research should head towards, we utilized the deductive approach by browsing through theory relevant to our topic and found important theory on the concepts we had in mind, such as e-businesses and SMEs. By researching previous theory on the aforementioned areas, we were able to

pinpoint a gap in theory which related to the concepts of HRM and business agility. We noticed that the two concepts have not been studied at all in relation to SME e-businesses; thus, we decided to research on those topics. Also, we combined all theories researched to create our conceptual framework and began the process of developing the interview guide to be used in the inductive part of this research. We then conducted the interviews, gathered important data and analyzed the findings to see how well the conceptual framework applied to our area of study and spotted trends that are later discussed in the analysis chapter.

We selected the abductive approach for our studies, given that we found it ideal for our topic as it allowed us to start with analyzing an overall phenomenon, then look into the existing overview of theory and then examined it while taking the findings into account. Alvesson and Sköldberg (2009) define abduction as the ability to detect patterns and reveal structures, which is what our research consists of. Moreover, the abductive approach fits our studies best as the nature of our research question can only be answered properly by using both, the deductive and inductive approaches at different times of the this study.

4.2 Research Method

There mainly are two different types of research methods: quantitative and qualitative (Saunders, et al., 2012). Research can either be based on a mono method, thus, on either quantitative or qualitative, or on multiple methods combining qualitative and quantitative research (Ibid).

While quantitative data is used to test relations and hypotheses, qualitative research aims at exploring patterns, at understanding people's experiences and how they make sense of the context they are placed in (Alvesson and Sköldberg, 2009; Merriam, 2009). The qualitative method focuses on other's perspectives, which is also called the 'insider's perspective'. In qualitative research, the researcher is the mean through which data is collected and analyzed. Researchers who use qualitative research aim at describing and analyzing a phenomenon rather than getting a numerical proof for a hypothesis (Ibid).

Given that the researcher plays an important role in qualitative research, the inclusion of subjective perceptions of the researcher cannot be avoided completely (Merriam, 2009). However, through qualitative research the researcher is able to sense nonverbal and verbal communication, to react to unexpected responses

immediately and to use his or her own critical reasoning when analyzing the findings (Ibid).

The focus of our research is to explain how SME e-businesses construct their HRM and to what extent their HRM activities contribute towards business agility. A qualitative research method was chosen to gain deep insights into the company's structures and to grasp a multiplicity of details with regards to the HRM practices that would remain concealed with a quantitative method. We aimed at collecting insights to create an understanding of how the HRM of these companies reacts to the peculiarities of the external environment. Furthermore, we aim at understanding how deeply the respective HRM activities are rooted in the company's structures and to understand what might possibly hinder the companies to implement several HRM practices, which would be beneficial for business agility. The study targets a phenomenon that has been poorly researched. Therefore, it will be important to be able to react to and confirm unanticipated responses that may appear during the interviews. We are aware of the bias that the subjectivity in a case study entails and we harnessed the fact that the study was conducted by two researchers to critically scrutinize each other's observations and conclusions and to question each other's understanding of the findings.

4.3 Research Strategy

The research strategy is the way in which researchers gather data and use the findings in the research process (Yin, 2009). Yin (2009) identifies five different types of research strategies, those are: experiment, survey, archival analysis, history and case study. Additionally, the research strategy can be determined by the style of the study to be conducted and it can also be chosen depending on what the research question of the study will address (Yin, 2014).

We have decided to make use of the case study research strategy. As Noor (2008) explains, a case study does not focus on the entire organization but it focuses on specific issues, features or characteristics. Thus, the case study research strategy fits perfectly with our research as we will be focusing on the HRM characteristics of the e-businesses to be studied and how they influence business agility; moreover, the case study research strategy provides the researchers with a deep understanding of the topic being researched (Merriam, 2009). On the other hand, case studies have downsides, for example, absence of rigour and reliability are the main critiques this strategy has received (Noor, 2008), which are items that we have payed close

attention to by ensuring that all the literature and data used is consistent, as well as investigating the veracity of the businesses we interviewed. Nonetheless, for our purposes, we have ultimately decided that the upsides of the case study research strategy outweigh the downsides it carries.

4.4 Case Study Design

What interests the researchers in a case study is the unit of analysis, a holistic and detailed investigation and analysis of a concrete system, not the topic of the researching (Merriam, 2009). A case study helps the reader to understand a phenomenon (Ibid), as it focuses on "individual instances rather than a wide spectrum" (Denscombe, 2010, p. 53).

There are basically two types of case studies: single case studies and multiple case studies (Yin, 2014), where multiple case studies consists of various cases to be analyzed (Merriam, 2009). The level of generalization is one of the weaknesses of a case study research design, however this level can be increased by using a multiple case study (Noor, 2008; Yin, 2014).

A case study can either be embedded, meaning that the case consists of several subunits, or a case study can be holistic by applying a more global approach to the unit of analysis (Yin, 2009).

In this study we chose a holistic multiple case study design, since we aim at studying the global nature of the case companies and as multiple case studies are appropriate to investigate common cases of a phenomenon, as opposed to extreme or unusual cases (Yin, 2014). A multiple case study provides us with the possibility to gain in depth insight into several cases that are placed in a similar context, namely the internet-context. The use of multiple cases will allow for comparing and analyzing the cases with regards to their characteristics and approaches towards HRM and business agility. Moreover, as explained before, the use of multiple cases provides insights into several companies and thus, offers the possibility to create a holistic understanding of the context. Furthermore, multiple cases increase the level of generalization of our findings, as well as of the recommendations and conclusions drawn in the end. Thus, also the external validity and reliability of the study will be augmented (Yin, 2014).

4.5 Selection of Case Companies

The selection of companies to be studied can be based on purposeful sampling as well as on convenience sampling (Merriam, 2009; Denscombe, 2010). Purposeful sampling is based on the purpose of the study in such a way that the companies selected are the most appropriate to provide the data needed for the study, while convenience sampling is mainly due to limited funds, distance, time, availability, among others (Ibid).

We utilized both sampling methods provided by Merriam (2009) and Denscombe (2010). Our research method is qualitative, consequently, we focused on finding case companies that are rich in information of the areas that are being looked into; this as a result, will provide us with a deep understanding of these companies (Merriam, 2009). The countries Germany and Sweden were selected primarily for the case studies from the purposeful sampling angle as both countries are rather similar countries in regards to culture (The Hofstede Centre, 2016). In regards to economical metrics, the two countries are fairly similar as well: in 2014, Germany presented a GDP per capita based on Purchasing Power Parity (PPP) of USD 45,802 while Sweden presents a GDP per capita based on PPP of USD 45,183 (The World Bank, 2014), and both countries score very high when it comes to infrastructure and digital content (World Economic Forum, 2015). The mentioned facts provide a technologically advanced large market pool for the researchers to find relevant case companies. Moreover, convenience sampling subtly influenced the choice of the market pools as Sweden is the country in which the researchers reside, additionally, the researchers also have an extensive network in Germany.

The selection of case companies should be based on attributes that are particularly important to the topic the researchers are studying, and this can be achieved by creating a criteria to follow (Merriam, 2009; Denscombe, 2010). For our purposes, we narrowed our search of case companies to SMEs, which by the European Commission (2016) are set to hold less than 250 employees; we also stated a minimum of five employees as a criterion to abide by, as this would allow for HRM activities to exist. Furthermore, the case companies must also be online-based only, that is they do not have any physical point of sale.

4.6 Company Presentation

The case companies that have been selected for the interviews in this research study are briefly presented below. A more detailed description of each company can be found in chapter 5.

Table 4-1: Company presentation

Company Name	Type of E-Business	Location	Number of Employees	Founding Year	Interview Date
Alpha Corporation	Software-as-a-service	Berlin, Germany	23	2012	01 April 2016
Beta Corporation	Platform provider	Berlin, Germany	200	2008	15 April 2016
Delta Corporation	Subscription model	Berlin, Germany	150	2011	19 April 2016
Easyfy/ Litenleker	Service provider	Kalmar, Sweden	6	2012	06 April 2016
Epsilon Corporation	Service provider	Berlin, Germany	20	2012	12 April 2016
Gamma Corporation	Platform provider	Berlin, Germany	30	2015	11 April 2016
Rebtel	Service provider	Stockholm, Sweden	80	2006	12 April 2016

4.7 Data Collection

Data collection can be divided in two types, which are primary data and secondary data (Jacobsen, 2002). Moreover, there are six different sources for data, namely archival records, documents, interviews, direct observations, participant-observation, and physical artefacts (Yin, 2014).

As mentioned previously, we chose to conduct a case study as it is the best fit for our research. Merriam (1998) states that there are three strategies for data collection for case studies, those are: interviewing, observing and analyzing documents.

4.7.1 Primary Data Collection

Merriam (2002) states that collecting primary data aims at obtaining knowledge that will directly help answer the research question. Primary data gathering mainly consist of attaining knowledge from the original source of information, which in

most cases can be an individual or a group of people (Jacobsen, 2002). Primary data gathering can be achieved in three ways namely: interviews, observations or questionnaires (Ibid).

Given the nature of our topic, an in depth analysis is required. Thus, we decided to make use of interviews, which are often used to gather qualitative primary data (Bryman and Bell, 2015) as it achieves the depth we are looking for in the areas of HRM and business agility. Moreover, we gathered theory and concepts from leading journals and recognized books from where we were able to build our conceptual framework and interview guide, which were both essential to conduct this study.

4.7.1.1 Interviews

The interviews were conducted in two ways, which are person-to-person interviews and electronic interviews. Person-to-person is still the most common design to gather qualitative data (Merriam, 1998); moreover, Kvale (2009) states that the interaction between the interviewer and the interviewee enhances the knowledge transfer. Thus, person-to-person interviews are considered to be the most ideal type of interviews. There also are electronic interviews, which refer to interviews held in real-time using the internet (Morgan and Symon, 2004), this type of interview provides a great advantage as it allows the researchers to not be geographically bound (Saunders, et al., 2009), while it also allows video interaction. A mix of both styles of interviews was used as it allowed both researchers to participate in all interviews. We strived for always having at least one researcher on-site to catch on any nonverbal communication that may lead to further questioning or gear the interview on a certain direction to allow the extraction and collection of the most data possible. Nonetheless, given availability and schedules of interviewers and interviewees, this was not the case for two interviews.

There are three types of interviews, namely: structured, unstructured and semi-structured interviews. The differentiation among the three different types is found in the flexibility of the structure of the interview itself (Saunders, et al., 2009). A structured interview is characterized by being stiff and similar to a questionnaire, an unstructured interview is more conversational, informal and does not follow a preset list of questions, lastly, semi-structured interviews are characterized by having a flexible frame that allows the interviewers to maximize the data gathering by asking questions or talking about subjects that arise, while following the preset frame of questions (Saunders, et al., 2009). Similarly, Fisher (2010, p. 175) states that in semi-

structured interviews "the interviewer has a schedule to remind them of the main issues and topics that need to be covered by the respondent".

Taking everything into consideration, we decided to make use of the semi-structured style of interview as it will give us an ideal structure or overall guideline, yet it allowed us to obtain depth and breadth in certain topics while conducting the interview, which is necessary given the complexity of our topic and the uniqueness of each case to be studied.

For an interview to succeed, the quality of the data extracted depends heavily on the interviewer's interviewing skills and relevant knowledge regarding the topic (Kvale, 2009). Thus we, the interviewers, made it a priority to do thorough research and familiarize ourselves with the data to be gathered by studying all concepts related to our topic. By familiarizing ourselves with the main concepts to be studied, we allowed ourselves to immediately ask follow-up questions that were likely to unexpectedly come to mind in a semi-structured interview. Through the operationalization (chapter 4.8) we created themes, formed a structure, and ensured that all important topics were covered, this, in return, maximized the gathering of data.

4.7.2 Secondary Data Collection

Secondary data collection helped us to acquire relevant information to analyze and understand the overall picture of the research taking place. Merriam (2009) describes secondary data as information gathered by other researchers and usually collected for different purposes other than the present study. Secondary data is very valuable as it has a separate agenda, it is solid and unaffected by the research process complexity (Merriam, 2009). Nonetheless, given that secondary data has been collected for other purposes, they might not perfectly fit the conceptual framework of the current study (Merriam, 2009) thus it needs to be carefully collected and sorted. An issue concerning secondary data entails how reliable it is, given that it is collected by other parties; nonetheless, there are sources that can be trusted such as governmental sites, legitimate news sources, reliable book authors and recognized literature. Thus, all the secondary data was collected from the aforementioned leading sources.

4.8 Operationalization

This study describes to what extent the HRM enables business agility in SME e-businesses. It is important to find out how the HRM in place in SME e-businesses is structured, given that this type of company is less likely to dispose of an

organizational structure that is as elaborated as the organizational structure of large e-businesses. Moreover, it is crucial to know which HRM activities can actually be implemented in SME e-businesses taking into consideration the limited resource base of these companies.

The HRM has, on the one hand, been assessed from a rather broad point of view with regards to the general structures and activities in place and, on the other hand, HRM has been studied from a more specific angle with the focus on business agility.

To make sure that all theoretical aspects have been covered and assessed through the interviews, the researchers carefully elaborated an interview guide. In order to make sure that all fields of the conceptual framework, presented in chapter 3.5, were covered and could be analyzed, the questions have been elaborated according to the respective elements of the conceptual framework. The question category A refers to more general characteristics of the HRM structures and activities of SME e-businesses, which are mainly based on the HRM characteristics identified in chapter 3.2, chapter 3.3.1 and chapter 3.4.1. Whereas the question categories B and C take up specific HRM activities that target business agility. The latter two question categories build on the HRM characteristics and activities identified in chapter 3.2.1. Table 4-2 shows the categories of questions developed for the purpose of this study and relates them to the main underlying concepts.[1]

To ensure a good flow of the interviews, the researchers developed an interview guide which arranged the questions in a sequence following the natural logic of the topics (see appendix A). Different priorities were given to the questions to guarantee that the most important questions were asked in all the interviews that were conducted (see appendix B).

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[1] Note: opening and closing questions are not considered in the operationalization

Table 4-2: Operationalization of the interview questions

Element of the conceptual framework		Questions
General HRM structures and activities • Like Boxall and Purcell (2011) we define HRM as the conditions to manage work and as activities to craft the workforce (Boxall and Purcell, 2011; Vivares-Vergara, et al., 2016). • How do the HRM structures and activities in SME e-businesses look like?		A1-10
HRM characteristics towards business agility • HRM activities are an important factor that contributes to business agility (Oosterhout, et al., 2005; Winby and Worley, 2014). • How do the HRM activities towards business agility look like in SME e-businesses?	Contextual clarity	B1
	Common purpose	B2-5
	Commensurate returns	B6-8
	Flexible organizational structure	B9-14
	Continuous learning	B15-19
	Autonomy and accountability	B20
	Personal growth	B7, B21-22
	Collaboration	B23-25
Workforce characteristics towards business agility • Proactive, adaptive and generative people contribute to business agility (Wright and Dyer, 2000). • How does HRM in SME e-businesses foster these characteristics?	Proactivity	C1
	Adaptability	C2-3
	Generativity	B18

The empirical findings were assessed by means of a scale in order to facilitate a comprehensive analysis. For the purpose of this study, 'the extent' was defined as the level of formalization and the level of awareness that the SME e-businesses show in their HRM activities towards the individual characteristics of the conceptual framework. Highly formalized practices towards a certain characteristic are considered to enable business agility to a high extent, given that they are deeply anchored in the company. On the other hand, a low extent is represented by less formalized or absent HRM activities regarding a business agility characteristic. The scale consists of five different ratings and is shown in table 4-3.

Table 4-3: Assessment scale for the analysis

1	Not aware and no existing activity
2	Aware but no applied activity
3	Aware and informally applied activity / semi-formalized activity
4	Aware and (recently) applied formal activity
5	Aware and very well integrated formal activity

4.9 Data Analysis

Yin (2009) describes data analysis as the process of examining, testing or recombining the data gathered to facilitate the researcher with valuable and reliable knowledge to answer the research question. When analyzing the data gathered, it is important to take two characteristics into account, which are the strategy and the techniques to be used. According to Yin (2009) the strategies to analyze the data gathered are: using theoretical propositions, focusing in rival explanations and by generating case descriptions. Moreover, the five different techniques that can be used when analyzing data are: pattern matching, explanation building, time-series analysis, logic models and cross-case synthesis (Ibid).

As mentioned previously, we decided to utilize an abductive approach as it allowed us to move freely between different research activities, empirical studies and analysis (Dubois and Gadde, 2002). We had to conduct deep research in the main areas of our study to gather theoretical literature, and at the same time, analyze it and utilize it to create the conceptual framework needed for this research. We made sure to transcribe the interviews to ensure clarity and accuracy of the interview content. Consequently, the qualitative content analysis took place; we started with a within-case analysis that led to the cross-case synthesis in which we did cross-case comparisons regarding the HRM structures and activities towards business agility, this type of technique only applies to the analysis of multiple cases (Yin, 2014). Furthermore, we also made use of the technique named pattern matching as it allowed us to compare empirically observed patterns from the case companies with theoretical predicted patterns found in our research; the aforementioned technique is found to be the most suitable for case studies (Yin, 2009).

In sum, we found out to what extent HRM is structured in each case, and found out what each case company does in regards to HRM towards business agility in our data gathering process. Thereafter, we searched for trends to observe similarities

among the case studies by using the cross-case synthesis technique, and lastly, we compared the findings of each case study with the theoretical framework we have created via the pattern matching strategy.

4.10 Quality of the Research

The goal of every research is "producing valid and reliable knowledge in an ethical manner" (Merriam, 2009, p. 209). To achieve a research that is valid and reliable, the researcher needs to thoroughly structure and design the study and he or she has to apply well thought through standards, which are commonly accepted in the academic community (Merriam, 2009). Yin (2014) proposes a set of four tests to assess the quality of a case study research, namely: construct validity, internal validity, external validity and reliability.

The quality of this research project is justified and clarified below by assessing the construct validity, internal validity, external validity and reliability of the study. Moreover, quality issues regarding semi-structured interviews are taken up at the end of this chapter.

4.10.1 Construct Validity

The construct validity is "especially challenging in case study research" (Yin, 2014, p. 46) because it deals with the measurability of the findings. Construct validity deals with whether the metrics measure what they are supposed to measure (Bryman and Bell, 2015). Construct validity is mainly related to quantitative research, however, it is also important to make sure that the constructs created refer to what the study aims at researching in qualitative research (Fisher, 2010).

Possible strategies to face issues regarding construct validity are the use of multiple sources of evidence, the establishment of a chain of evidence, as well as having the interviewee revise the draft case study report (Yin, 2014).

In order to increase the construct validity, the strategy of triangulation has been applied in this research study by using multiple researchers and multiple sources of evidence (Merriam, 2009; Yin, 2014). The research group consists of two researchers that carefully reviewed the literature and analyzed the empirical findings to ensure a continuous link to the research questions. Moreover, the researchers collected primary data from several case companies through semi-structured interviews and collected secondary data to support the study. We are aware that the revision of the case study report by all interviewees would have improved the construct validity,

however, time constraints on the side of the interviewees and also on the researcher's side did only allow for a revision in one case.

4.10.2 Internal Validity

Internal validity refers to the extent to which the research findings conform with reality, that is, how well the findings capture and explain reality (Merriam, 2009). Also, internal validity in qualitative research refers to how well the researcher's conclusions match the observations made during the study (Fisher, 2010; Bryman and Bell, 2015).

Internal validity mainly is a concern in explanatory case studies, where the researcher focuses on drawing causal relations (Yin, 2014; Bryman and Bell, 2015). Moreover, Yin (2014) emphasized that a problem with internal validity, that arises when doing case study research, is that of inferences. An inference appears whenever the researcher cannot directly observe an event and makes inferences on the causal relationships instead (Ibid).

According to Lincoln and Guba (1985), the internal validity can be increased by continuously equilibrating the conclusions with the empirical data and, if necessary, to adjust them. Also, the archiving of the research material and a follow-up with the interviewees increase the level of internal validity (Ibid).

In order to address the issue of internal validity, both researchers have been involved in the research process, which allowed for critical discussions, critical assessment of possible inferences and regular cross-checks during the research process. We made sure to constantly monitor the relation of the conclusions to the empirical data to ensure the validity of our findings. Furthermore, the involvement of both researchers limited the personal bias naturally involved when the researcher is the principal instrument for data collection (Merriam, 2009). Also, we thoroughly archived the research material in cloud storing platforms, such as Google Drive and Dropbox. As mentioned in 4.10.1, time constraints did not allow for a revision of the draft case study by all interviewees.

4.10.3 External Validity

The external validity of a research study deals with the applicability of the findings to situations other than the research context, thus, it deals with the extent to which the findings are generalizable (Merriam, 2009; Yin, 2014; Bryman and Bell, 2015). To enable the drawing of more generalizable findings, researchers can make use of

the strategy of 'thick description', meaning that the setting, as well as the study participants and the findings need to be described in detail (Merriam, 2009). However, Bryman and Bell (2015) state that external validity is especially difficult to be achieved in qualitative research and that future researchers have to assume a similar role to the previous researcher in order to achieve similar results. Yet, Yin (2014) differentiates between 'statistical generalization', which is drawing general conclusions from a limited population, and 'analytic generalization'. Yin emphasizes that case studies mostly aim at creating generalizable findings by means of 'analytic generalization'; this is, the lessons learned from a study can be applied to interpret existing studies from a different point of view or to define new areas of research (Ibid).

In this study, we will make use of what Yin (2014) calls 'analytic generalization'. Thus, we want to provide important insights in the phenomenon studied that will be valid for similar cases in similar contexts. We do not aim at providing findings that can universally be applied to all different types of cases and contexts. Besides that, we address the external validity through various approaches. First, we use a multiple case study, which allowed us to gain insights into several case companies. Second, we provide a thorough description of the research setting, the case companies and of the findings gathered through the interviews.

4.10.4 Reliability

The issue of reliability concerns the replicability of the study at a later time (Yin, 2014) or by another researcher (Bryman and Bell, 2015). The question is, whether the study will reveal the same findings and conclusions when repeated with the same settings (Merriam, 2009).

Reliability can be increased through a detailed documentation of the steps that the researchers took (Merriam, 2009; Yin, 2014) and through being rigorous methodology-wise (Bryman and Bell, 2015) in order to allow future researchers to follow the same trail. Thus, a high level of transparency will increase the reliability of a study (Ibid).

We aimed at ensuring the reliability of our study by providing a detailed description of how the study was built and how that data was collected in this methodology chapter and through the conceptual framework. Additionally, the literature used and the basic conditions for the search for relevant literature are outlined in the literature review. Furthermore, we provide the operationalization of

the questions and also the interview guide, which can be found in the appendix, to enable the reader to follow the process of the interview. Also, the interviews have been recorded, stored and transcribed in order to provide as much transparency as possible.

4.10.5 Semi-Structured Interview Quality Issues

It is important to consider data quality issues related with semi-structured interviews (Saunders, et al., 2012) given that this type of interview lacks standardization. Also, some concerns with regards to reliability are important to be considered, such as interviewer and interviewee bias, which means that both ends may have preexisting ideas and concepts that differ with that of others, thus, that may affect the understanding of the question, consequently, the quality of the answer. Additionally, semi-structured interviews do not provide a basis for a high level of uniformity among different case studies (Ibid); hence, picking up on nonverbal cues can be very valuable as it can determine and even change the full content of an answer provided by the interviewee. We paid close attention to these concerns with the intent of avoiding them to the most of our capabilities, we did this by listening to the tone of voice as well as sensing the shifts of the tone when the answer was being delivered, same is the case for facial expressions and noticing how genuine the interviewee seemed when answering different questions. All things considered, we believe that semi-structured interviews are the best choice to understand and analyze the processes and structures of the selected case companies as the topics we cover need to be analyzed in depth and the situations and the style of interviewing may vary with each case company.

5 Empirical Findings

This chapter contains the insights gathered during the interviews. The empirical data was gathered through semi-structured face-to-face or video interviews. Seven companies have been interviewed in total, the data obtained through these interviews is presented separately for each case company and the general characteristics of the company's HRM is presented, as well as the agility characteristics according to the conceptual framework, which are broken down into HRM agility characteristics and workforce characteristics. A summary of the empirical findings can be found in appendix C.

5.1 Alpha Corporation

Alpha Corporation[2] (Alpha Corp.) was founded in 2012 in Germany and consists of 23 employees today. The company offers an e-service platform for consultation services, yet, the focus is on the insurance and banking industry. Alpha Corp. sell its web-based product as software-as-a-service and aims at digitizing the service industry, while keeping the services as personal as possible. The unique selling proposition (USP) of the company is based on the integration of a multiplicity of tools in one software and on the fact that all of the company's servers are based in Germany, which is especially important with regards to data security, given the country's strict legislation in this field.

The interview was conducted via Skype on the 1st of April, 2016 with the HR manager and co-founder of Alpha Corp., Manager A.

5.1.1 General Human Resource Management Structures and Activities

Alpha Corp.'s HRM is conducted mainly by Manager A, who is part of the upper management team, however, other employees are involved in the HRM activities as well. According to Manager A, the HRM systems and routines are semi-formalized depending on the importance of a position. Alpha Corp. uses primarily online channels when searching for new employees and a freelancer actively supports the recruiting through searching for good profiles in professional social media networks, such as LinkedIn. The HR manager scans all applications and forwards them to the head of the department in which a new employee is needed, who then has a phone interview with the applicant, possibly followed by a test in terms of a coding task for a new IT employee. For business-related positions, a test would be included in the

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[2] Note: at the request of the company 'Alpha Corporation' and 'Manager A' are anonymized names.

next step, which is a personal interview on-site. Manager A states that "During the first interview you realize what kind of a person it is and if you're not really sure how he or she is working you need a test" (Manager A, 2016). For very important positions Alpha Corp. also conducts a second personal interview.

5.1.2 Contextual Clarity

Alpha Corp. does not have any set routines or structures in place to create awareness of the external environment, Manager A (2016) thinks that the employees who need to know what is happening in the environment are informed about it. Information about the external environment is shared in the so called 'synch meetings'[3] that take place once a week with the upper management team and it is forwarded via e-mail to the employees that are concerned. Manager A (2016) emphasizes: "I think not everybody needs to be interested in it, some people will only work in their own environment, so why [...] should they care about [...] competition".

5.1.3 Common Purpose

The company's values and vision are clearly communicated to the employees: Alpha Corp.'s values were discussed with all employees during a team event, however, Manager A (2016) admits that it is difficult to assess whether the values are adopted by all employees, given that it is something intrinsic which is hard to control. The goals and vision of the company are first communicated among the upper management team in the 'management meeting' and are then communicated to all other employees through the heads of department. Furthermore, the company conducts 'strategy meetings' "where goals and vision are repeated and presented" (Manager A, 2016) once per quarter or semester .

5.1.4 Commensurate Returns

With regards to financial returns the company does not have a planned incentive and reward system in place, but decides on bonuses case by case, yet, the implementation of a set bonus system is planned in the near future. For returns in terms of motivation Alpha Corp. organizes team events, though, Manager A (2016) recognizes that a lack of time is the reason for not organizing such events on a regular basis. Moreover, the company provides a dynamic environment with people who desire to influence the development of the company. Lastly, Alpha Corp. also

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[3] 'Synch meetings' are meetings in which the upper management team shares important information.

offers its employees the possibility to expand their network, as the company is part of a co-working space.

5.1.5 Flexible Organizational Structures

The organizational structures of Alpha Corp. are rather flexible and informal, nonetheless, some more formal processes have recently been implemented. The company needs two weeks to five months to hire a new employee, depending on the position. On the one hand, new hires are planned in the company's business plan, on the other hand "Sometimes we are [hiring], just because we [... get] an interesting profile" (Manager A, 2016). A continuous process for the search of profiles for key positions was implemented recently due to difficulties with filling an important position on time in the past. Today, there are only three interns out of the 23 employees and most of the employees work full-time. Manager A (2016) adds that freelancing does generally not fit to the company's business model. Alpha Corp. does not have a job rotation system in place and does not shift employees from one department to another, which is due to the fact that the job positions themselves are not yet fully defined and the employees need to cope with their current challenges first. But, given that the team is quite small, the responsibilities of an employee have been expanded several times. In terms of making a team able to work effectively and efficiently right from the start, Manager A (2016) states "We just think that it's happening. [...] if everybody is really committed and motivated, everybody should do his best or her best to make a really successful product out of it".

5.1.6 Continuous Learning

Being passionate about continuous learning is "one part of being motivated and committed" according to Manager A (2016). The company implemented different programs and initiatives to foster this behavior, for example, for every employee in the IT department one field of expertise is defined and also one field in which the employee wants to improve his or her skills. Alpha Corp. is also aware of the importance of knowledge sharing amongst the employees, but Manager A (2016) clarifies that "Knowledge is more about news", though, knowledge has so far only been shared in short meetings before team events. The company is working on a knowledge base besides the rather informal ways of sharing knowledge, which will be an online platform that everyone in the company can access. However, there is no

system in place to foster the organization's learning through feedback from the employees.

5.1.7 Autonomy and Accountability

The employees of Alpha Corp. have a high level of autonomy, Manager A (2016) mentions, for example, that "one guy for the customer service department [...] needs to build the whole department". It is communicated and expected that the employees give their best and according to Manager A (2016) there have not been any problems with the high level of autonomy so far. However, the company started to develop a so called 'RACI system'[4] for the project management where many different employees are involved.

5.1.8 Personal Growth

The example of the customer service employee, mentioned before, shows that the employees at Alpha Corp. get a lot of responsibility and grow with their tasks. Moreover, the company promotes personal growth through several initiatives, for example in the sales department every employee is asked to choose one goal, which is not directly related to his or her activities as a sales employee; "One, for example, he's not that good in English he wants to do [...] English lessons [...] and if he did it, he will get [...] a bonus" (Manager A, 2016). Nevertheless, "We don't have official programs [...], but we have [...] an official HR talk once a year, also about development. And within a department we have also these kind of chatting about development activities" (Manager A, 2016) and training will be organized, if someone requires it.

5.1.9 Collaboration

Manager A (2016) highlights that supporting each other in daily activities "is really expected and appreciated. It's also communicated" and the communication of this expectation mainly takes place in the meetings of each department. Team events are organized to foster collaboration and the relationships among the employees. One of the company's core values also targets team building, which underlines the importance that the company places on good and strong relationships among their employees. Additionally, Alpha Corp. needs to build cross-functional teams with

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[4] The 'RACI system' consists of the elements responsible, accountable, consulted and informed that describe the duties of each position involved in the project.

employees that usually do not work together closely in order to fulfill the growing customer demands.

5.1.10 Proactivity

Alpha Corp. actively looks for proactive people. Manager A (2016) gives the example of one employee being responsible to establish the customer service department on his own and who therefore, needs to be proactive and to take on tasks without being advised to do so. "One big indicator is, [...] you have the possibility to make a 30 days trial on our platform and if you are talking to somebody and he already [...] opened an account and tested something on our platform" (Manager A, 2016).

5.1.11 Adaptability

The company does not actively foster the willingness of their employees to embrace changes. Manager A (2016) states that most employees would accept small changes, if these changes have a positive impact on the company and adds "I would say that nobody fears [...] change".

5.1.12 Generativity

As mentioned before, Alpha Corp. describes its employees as committed and motivated and as keen on expanding their knowledge. The company supports its employees in their willingness to learn with seminars or trainings if it is compatible with the resources that are available to the company.

5.2 Beta Corporation

Beta Corporation[5] (Beta Corp.) is a platform provider for all types of activities, such as city tours or cooking classes. The company was founded in 2009 in Berlin, Germany and grew to a total staff size of around 200 employees. Beta Corp. operates as a platform that brings together tour- and activity-providers and the end-customers. The company focuses on simplifying the booking process of activities and the goal is that customers should be able to book all activities right from their mobile phone.

The interview was conducted on the 15th of April, 2016 with Manager B, Junior Recruiter at Beta Corp.. One researcher interviewed Manager B on-site, while the second researcher was connected via Skype.

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[5] Note: at the request of the company 'Beta Corporation' and 'Manager B' are anonymized names.

5.2.1 General Human Resource Management Structures and Activities

The HRM department at Beta Corp. is divided in two sub-teams, namely the 'people team' and the 'recruiting team', where the 'people team' takes care of all HRM activities concerning the employees of the company and the 'recruiting team' is responsible for the acquisition of new employees. Each of the two teams has a head of department who reports to the HR Vice President (VP); the HR VP is part of the upper management team of the company. The company's HRM structures and activities can be considered to be formalized: an application tracking software is used, the HRM processes are standardized and the HRM activities are defined through guidelines. The job ad is published on the company's career page and in several online channels when Beta Corp. decides to hire a new employee. Sometimes, the company also participates in student job fairs. The applications are screened by the recruiting manager, who organizes the recruiting process, and after this first step, a phone screening takes place, which, depending on the position, can either be done by the recruiting manager or by the hiring manager itself. The next step consists of a test, which can be a separate stage where the candidates have to prepare the test at home and send it in, or it can be included in the next step, which is the face-to-face or Skype interview. This interview stage can consist of several interviews. The process ends with a reference check and usually with a phone call of the co-founders who take the final decision.

5.2.2 Contextual Clarity

To share insight about the company's environment and about the company's activities with the employees there are 'company updates' once a month. Additionally, Beta Corp. uses weekly 'updates' where every department shares information about their activities with the fellow-employees.

5.2.3 Common Purpose

The company's culture is based on five core values, which are clarity, learning, passion, positivity and commitment; these values guide the employees' behavior and make sure that they work in accordance with the company's priorities. Manager B (2016) highlights: "The culture is open, super open, it's really [...] easy to make friendship". In addition, Beta Corp. uses the 'Objectives and Key Results'-system[6] (OKR system) to actively make sure that the employees work towards the same goal.

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[6] The 'OKR system' defines key results that can be measured in order to assess the progress towards achieving the respective objective.

Goals are defined for every department and displayed to the whole company to make the progress transparent. The progress is reviewed every quarter with the whole company. Moreover, the vision and the overall goal are transparently communicated at the 'company updates'.

5.2.4 Commensurate Returns

Beta Corp. provides returns to its employees in terms of motivation, Manager B (2016) states "It's more a culture thing, […] there is a really open culture, everybody has […] ownership" and every employee has the possibility to change and improve things. Furthermore, Beta Corp. organizes learning events and 'hackathons'[7] for its employees, and provides 'after works'[8]; also, team events are organized every quarter. Moreover, there exist monetary returns for the employees: "Something that has been implemented is the virtual share program. […] And then also pension scheme" (Manager B, 2016). Manager B (2016) adds that, for special occasions, the employees also get vouchers to participate in one of the tours of the company's portfolio.

5.2.5 Flexible Organizational Structures

Beta Corp. starts looking for new employees three to four months in advance, this "depends on the position […]. If it's an easy one also two months is ok" (Manager B, 2016). The employees primarily have full-time contracts and only very few interns are employed at Beta Corp. "because we want to invest […] in the resources. So the logic is that we train the resources to keep them" (Manager B, 2016). The company usually does not switch employees from one department to another, neither does Beta Corp. make use of a job rotation system. Manager B (2016) states "That's also I think really a corporate thing" and adds that smaller companies do not have the resources to train their employees in different departments.

5.2.6 Continuous Learning

Beta Corp. wants to employ passionate people who are keen on continuous learning, both characteristics are part of the company's core values and are assessed in the recruiting process. Additionally, there are lots of learning events and trainings accessible for the employee; "we have internal events but we also have external" (Manager B, 2016). The knowledge of the employees is usually shared during the

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[7] 'Hackathons' are events where developers meet and work together on software programs.
[8] 'After works' are informal gatherings after the regular working hours

'updates' and the employees need to share their knowledge to make sure that every department can achieve the goals defined in the OKR system. With regards to the organization's learning, Manager B (2016) explains: "We just implemented the company's rate", which is an employee survey whose results are discussed and shared afterwards.

5.2.7 Autonomy and Accountability

The employees at Beta Corp. dispose of a good amount of autonomy, however, they are held accountable for achieving the goals. The OKR system represents the accountability mechanism at the company that determines the responsibility of every team. Additionally, the virtual share program indirectly contributes to accountability by supporting the sense of ownership of the employees.

5.2.8 Personal Growth

"Everybody has […] ownership" explains Manager B (2016) and emphasizes that everyone can suggest and implement new things and grow with their implementation. The company offers everyone the chance to grow, yet, there are no development plans in place. "I think we are a bit more dynamic than our previous generations" (Manager B, 2016), therefore, people do not stay in the same company for a long period of time but rather change the company when they feel that they cannot grow further (Ibid).

5.2.9 Collaboration

The structure and organization of the departments require Beta Corp.'s employees to collaborate on a daily basis and interaction from different employees and between departments is needed to achieve the department's goals and also the company's overall goal. Moreover, team events take place every quarter and 'after works' are organized every week to strengthen the relationships among employees and to minimize potential barriers for collaboration.

5.2.10 Proactivity

The employees at Beta Corp. can be considered proactive. "It's […] like an attitude, someone who has passion someone who is looking for new trends" explains Manager B (2016) and adds that proactive people look for possibilities to improve processes and that proactive people can be identified during the hiring process, because they are curious and ask a lot of questions.

5.2.11 Adaptability

Given that the company's environment is very dynamic, adaptive people are needed at Beta Corp. The company tries to identify adaptive people during the hiring process by assessing whether they are aware of the dynamic environment and whether they are used to working in dynamic environments.

5.2.12 Generativity

Beta Corp. makes sure that their employees want to continuously learn and improve. The company assesses this characteristic in the interviews and supports the employees in their ambition to learn by providing learning events, trainings, seminars and the participation in conferences to expand the staff's knowledge.

5.3 Delta Corporation

Delta Corporation[9] (Delta Corp.) was founded in 2011, is based in Berlin, Germany and also does business in five other countries. The company employs around 150 employees and acts as a product provider based on a subscription model. More specifically, Delta Corp. provides its customers with beauty products in a box, which are tailored to each subscription.

The interview was conducted on the 19th of April, 2016 with Manager D, HR manager at Delta Corp.. One member of the research group interviewed Manager D in person, the other group member was connected via Skype.

5.3.1 General Human Resource Management Structures and Activities

The HR manager is not part of the upper management team at Delta Corp., yet she does report directly to the Chief Executive Officer (CEO). The HRM practices are rather formalized and became more structured over the past years. The HRM "is quite structured but [...] we can always improve" (Manager D, 2016), it can be said that it is still developing. Delta Corp. has structured and formalized routines for acquiring personnel, it also utilizes tools and online platforms to attract, recruit candidates and publish positions. The interview process starts with a telephone or Skype pre-screening; the ones that make it past this stage get to have a second face-to-face interview, and then a third interview that entails specific know-how and skills happens to check the value the candidate can bring onto the team. For top management positions, a fourth interview may be required with the CEO.

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[9] Note: at the request of the company 'Delta Corporate' and 'Manager D' are anonymized names.

5.3.2 Contextual Clarity

On the first day, the employees are made aware of the company itself, the countries and the environment that the company operates in, this is usually done with a global welcome via virtual 'hangouts'. Manager D (2016) explains that this is important "to really get an overview about the company, how it's structured, what are our values, our vision". Moreover, there are monthly 'stand-up meetings' led by the CEO in which everyone is brought up to date with relevant information, which at times includes the competitive context and the environment.

5.3.3 Common Purpose

The organizational culture is quite young, dynamic, and passionate. Moreover, communication and openness are also good characteristics of the culture at Delta Corp.. Core values are important and they are communicated effectively to all employees. Manager D (2016) states: "in the onboarding process we tell them about the values and where they come from, what's the story behind, so you get a deeper insight into it. For some events we organize - we always do some to bring up our values". Lastly, Delta Corp. has a vision statement, which is presented monthly in the meeting with the CEO. This meeting helps the team to know where they stand and also to give feedback on how to remain aligned with the vision. Manager D (2016) concludes: "we know our vision and everybody can also do something about it and is a part of the team and a part of the company."

5.3.4 Commensurate Returns

Motivation is quite important at Delta Corp., Manager D (2016) states that there are "a lot of motivation things". Some of the activities that are performed to motivate the staff are summer parties and business breakfasts; moreover, discounts at restaurants and for gym memberships are available for the employees. Lastly, Manager D (2016) explains that there also is a reward system in place for the sales team, which consists of very traditional performance-based bonuses. There is a candidate referral bonus as well, which can be up to EUR 500 if the candidate works out well.

5.3.5 Flexible Organizational Structures

Hiring new employees is planned in advance, yet Manager D (2016) explains: "It's up to the position, so working student is [...] maybe one month or two months but the head positions [...] I would say three to four months". The preferred type of

employment is full-time, yet there are also interns and working students that account for up to five percent of the staff. The employees do get shifted from one department to another when needed, usually it is the customer care department that is the most exposed to everyone. Whenever the skills of an employee become unneeded, Manager D (2016) explains: "We first always try to find another fit in another department in the company. If not, we have a network, you can spread the CV [...] over the network". Job rotation systems are not existent at Delta Corp., but it is an action that has been thought of as it would add a lot of value for employees to be exposed to other markets. Manager D (2016) explains that practices such as job rotation are not the focus at the moment, since the new CEO is still transitioning into the job. Nonetheless, everyone does get to have a 'customer care day', which can be considered a job rotation system, as the employees get to be exposed to the customer care center and learn about the customer needs.

5.3.6 Continuous Learning

Delta Corp. makes continuous learning a priority, thus, there are in-house programs, such as German classes, workshops and seminars; furthermore, the employees know that they can request to learn something specific and if the matter is found appropriate and related by the management team, the employees will be funded. There currently is nothing in place to ensure that employees share their knowledge, but it is something that the HR manager has considered and it is likely to happen in the near future. There are scheduled meetings for feedback which take place regularly and the feedback is both ways from employee to manager and from manager to employee, furthermore, feedback is also collected via an employee survey.

5.3.7 Autonomy and Accountability

The employees are held accountable to results and the success of the company and this usually takes place in the feedback meeting in which performance is reviewed and measured.

5.3.8 Personal Growth

There has not been much emphasis on career planning and development and it is more reactive as it happens only when there is a need for it. Delta Corp. implemented "the 'buddy program'. [...] The buddy is always there for the new employee, for every question. It's really open" (Manager D, 2016), thus, it is a program that aims at

helping new employees get all the support they need with an experienced member of the company and to grow personally.

5.3.9 Collaboration

Delta Corp. does quite well with promoting communication and collaboration among team members, as an example, Manager D (2016) explains that they "have 'lucky lunch' [...]. It's four employees, [...] we make sure that it's really mixed up with the departments and they can go for lunch" at the expenses of the company to promote team integration between different departments. Also, the previously mentioned 'buddy program' promotes collaboration among team members. Moreover, "Every department has weekly meetings to discuss the goal of the week. You can always ask your team lead and he will support you in case you have any issues or concerns" (Manager D, 2016). Lastly, team building activities, such as cooking events, summer parties and barbeques are organized.

5.3.10 Proactivity

Proactivity is a characteristic that is actively looked for when hiring. Once the employees are part of the team, they are intrinsically expected to have an overview of the entire company and about the global operation. Delta Corp. welcomes everyone to bring and share their ideas, "the office from our CEO is always open" (Manager D, 2016).

5.3.11 Adaptability

Adaptability is a characteristic that is present at Delta Corp. as it is assessed during the hiring process. The company explains changes to the employees to make them understand the necessity of the changes. Moreover, the product they offer is customizable and requires a level of responsiveness and adaptability to the customer needs, thus, the staff is expected to deal and adapt to change constantly.

5.3.12 Generativity

As previously mentioned, the employees in this company are provided with in-house programs and they are aware about Delta Corp. being willing to support and fund education relevant to the business operations. Consequently, being passionate about continuous learning is part of the culture at Delta Corp.

5.4 Easyfy/Litenleker

Easyfy and Litenleker are two e-businesses that are run by the same owners and whose teams overlap and work hand in hand. Easyfy and Litenleker were founded in Kalmar, Sweden, in 2012 and 2013 respectively and today, Easyfy/Litenleker[10] comprises a total of six employees. Easyfy offers all-in-one web-solutions for all types of e-businesses, that is, the company creates the website for the companies and also directly connects it to several analytical tools that provide their customers with extensive information about the end-customers. Litenleker, on the other hand, is an online-shop that sells toys for babies and small children.

The interview was conducted in person the 6th of April, 2016 with Johan Uddh, co-founder and CEO of Easyfy/Litenleker.

5.4.1 General Human Resource Management Structures and Activities

The HRM structures and activities at Easyfy/Litenleker are not formalized. The HRM tasks are shared between the three owners of the company who discuss all HRM related decisions with each other, the HRM structures are more conversational and decisions are taken individually for every case; Uddh (2016) states: "We have no routines or something like that". When Easyfy/Litenleker needs to find a new employee, the position is published mostly on social media platforms, on university platforms or on the 'Arbedsförmedling'-website of the Swedish government. The company invites the applicants to several personal interviews once the applications are sent in. Also, the applicants are asked to fulfill tasks related to the job they apply for depending on the position, for example, a developer would be asked to work on a code. However, Uddh (2016) emphasizes: "it's more about the person than what they can, because we think it's […] pretty easy to develop […] the skills". Given the company's size, it is most important to the company that the team works well together.

5.4.2 Contextual Clarity

Easyfy/Litenleker does not yet have any specific practices or systems in place to create contextual clarity among their employees. However, the company is currently working on a platform that allows the employees to immediately see when competitors of Litenleker change the prices or the brands. Generally, Uddh (2016)

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[10] For the sake of simplicity, the company will be named Easyfy/Litenleker throughout this study.

explains that the team is very small and important information is always communicated among all employees.

5.4.3 Common Purpose

At Easyfy/Litenleker, common purpose is created through the company culture. "We want to be a winning team. We always focus on numbers […] and we have always tried to find a new record" (Uddh, 2016). The company shares and discusses the numbers every day to make the employees work towards breaking existing records, and Uddh (2016) explains that they know that the employees have adopted this approach "when they come in and say 'oh did you see yesterday's selling'". Additionally, Easyfy/Litenleker incentivize the ambition of the employees through rewards in terms of team events. Moreover, Easyfy/Litenleker has an overall vision for the company, however it is only communicated verbally and Uddh (2016) admits that the company did not emphasize this vision in the last months due to a lack of time. A lack of time also prevented Easyfy/Litenleker from having core values so far.

5.4.4 Commensurate Returns

The employees at Easyfy/Litenleker are provided mainly with monetary returns. The company has a bonus system in place, which is linked to the results of the company and to the results of each department, for example, to the sales numbers. There are common goals for the team and also individual goals, the latter depending on an employee's improvement in a determined area. Uddh (2016) emphasizes "even if our employees didn't expect to get a higher salary […] but we said we think you deserve this" the salary will be raised. Furthermore, Uddh (2016) mentions the example of one employee who shows a very high commitment to the company and who will therefore, become a company owner as well. Additionally, the employees are provided with non-monetary returns, such as team events, as well.

5.4.5 Flexible Organizational Structures

Easyfy/Litenleker's organizational structures are quite flexible. For Litenleker, the company mainly starts looking for new employees when the workload gets too high. Yet, the company started searching for a developer position at Easyfy in the beginning of the year to fill the position in fall, "because we think it's harder to find good developers" (Uddh, 2016). The company primarily employs full-time employees, because "it's better to have motivated people and we think that if they have a full deployment they are […] more engaged" (Uddh, 2016). The company

shifts its employees from one department to another if needed, however, this mainly happens to temporarily replace people that are on vacations. Since the team is very small there are no scheduled job rotation systems in place.

5.4.6 Continuous Learning

Easyfy/Litenleker makes sure that its employees continuously learn and develop. The company offers developers the possibility to spend 20-50 percent of the working time on their own projects and communicates this clearly. However, Uddh (2016) admits "I think for customer service, something like that is a little bit harder. I don't know how we should do that". The company organizes 'demo sessions' every third week, where the results and developments of the last weeks are shared and thus, knowledge is shared with the team. Furthermore, the developers have so called 'code reviews' to give each other feedback on their work and the employees go for lunch together where they also share their knowledge. Also the employees can give feedback to the company easily, since the company is very small, therefore, the company uses a tracking system, which is accessible for all employees and where ideas are tracked and the person in charge of realizing it is determined.

5.4.7 Autonomy and Accountability

There was no need so far to have any accountability systems in place, given that Easyfy/Litenleker is a very small company. Every employee has a high level of autonomy and accountability-related problems are discussed directly with the respective person.

5.4.8 Personal Growth

There is no career and development planning in place. Uddh (2016) explains that career development will take place once the company expands, but the expansion is not clearly defined yet. However, Easyfy/Litenleker tries to incentivize personal growth through the bonus system that includes individual goals for every employee that refer to areas in which every person should improve.

5.4.9 Collaboration

Collaboration among the employees is fostered by Easyfy/Litenleker via meetings that take place every third week where the work of every department is discussed. If some department needs help with a task, other employees support this department in order to achieve the goal. Additionally, the development department has 'start-up

meetings' every day to see if there is collaboration needed to fulfill the tasks. Moreover, every week there is one employee who is responsible to assess whether someone at the company needs assistance with a task, this responsibility rotates every week. Easyfy/Litenleker has 'afterworks' every week and saves SEK 500 every month to organize team events to minimize barriers for a successful collaboration - this year, a company trip is planned with the savings.

5.4.10 Proactivity

Proactivity is a characteristic that is very important for Easyfy/Litenleker. However, Uddh (2016) states: "it's not before they start working you can see if they are proactive" and explains that proactivity for him means to start new tasks without being asked to do so.

5.4.11 Adaptability

Adaptability is an important characteristic for Easyfy/Litenleker as well. Uddh (2016) explains that the company constantly monitors its competitors and tries to improve its own business, because it will benefit the company's performance. According to Uddh (2016), the employees know that the changes benefit the company and are consequently willing to embrace changes. Uddh (2016) adds: "We believe that changes will be best if everyone feels involved."

5.4.12 Generativity

As mentioned before, Easyfy/Litenleker gives its developers 20-50 percent of their working time to focus on own projects and also support all other employees in order to stimulate learning, because they are aware that learning is crucial to move forward.

5.5 Epsilon Corporation

Epsilon Corporation[11] (Epsilon Corp.) was founded in 2011 in Berlin, Germany, and is a digital learning platform for students and universities that is specialized in tailoring learning material for specific study programs for a large quantity of international universities. Epsilon Corp. has about 20 employees, 15 full-time employees and the remaining being interns.

The interview was conducted on the 12th of April, 2016 with Manager E, who is the CEO and co-founder of Epsilon Corp. and who acts as the HR manager. Manager

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[11] Note: at the request of the company 'Epsilon Corporation' and 'Manager E' are anonymized names.

E was interviewed by one researcher on-site and the other researcher connected via Skype.

5.5.1 General Human Resource Management Structures and Activities

Each department is on charge of determining when there is the need for a new hire; also, recruiting at Epsilon Corp. can be considered active yet very limited. As mentioned before, Epsilon Corp. has about 20 employees in total and the developing department makes use of freelancers when needed. Manager E (2016) explains that "the reason for having full-time employees is that, [...] you have very, very limited resources and you wanna achieve very, very big things [...] thus, having people on board, essentially all the time is just [...] faster and a bit more efficient". The HRM systems and routines can be considered both, structured and unstructured. On the one hand, the recruiting process can be considered unstructured and informal "because it's so many different positions across so many different channels" (Manager E, 2016). On the other hand, the interviewing process is structured and formalized. Regarding acquiring employees, Manager E (2016) explains that it depends on the position being filled, for example, "the recruiting process for a marketing intern is much faster [...]. We hire them maybe on the spot, if we feel that it's a good fit [...] whereas if you wanna, let's say hire somebody that's helping us rebuild our whole infrastructure we may go further steps". The hiring process at Epsilon Corp. "starts at the point where somebody is needed, which usually is an information that I get from the different departments" (Manager E, 2016), thus, each head of department is on charge of forecasting the HR needs of its department and of communicating it. Manager E (2016) mentions that Epsilon Corp. prefers to make use of non-paid channels for the publication of job positions, as it can become very costly.

5.5.2 Contextual Clarity

The employees are made aware of the environment that the company operates in through the upper management; that is, every Monday during their 'all-hands meeting'[12], they all sit down, deconstruct and explain all elements of the environment and "the strategic point of view" (Manager E, 2016).

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[12] During the 'all-hands meeting' all relevant information is shared within the company.

5.5.3 Common Purpose

The culture of Epsilon Corp. can be described as "a mix of not taking ourselves too serious but taking the work that we do pretty serious" (Manager E, 2016). The company can be described as quite colloquial: "we are very informal with all the people, and on the other hand [..] we try to make sure that they understand the needs of our company" (Manager E, 2016). Epsilon Corp. does have core values, yet, it is not a routine for these core values to be communicated. The core values are handed over to the employees when hired; moreover, guidance about the core values is available. The vision was introduced to all employees when the company rebranded itself in January 2016. There also is a specific process and action plans that are related to where the company is heading, which are available to be read by everyone.

5.5.4 Commensurate Returns

Epsilon Corp. motivates its employees by placing them in positions that allow them to have an impact on the company's growth and direction, as well as allowing them to grow professionally. Manager E (2016) states: "If they have a feeling of 'ok what I'm doing clearly has an impact on the company, I can feel that impact' and it's being seen and being also rewarded in that sense" this is what gives employees a sense of gratification. Manager E (2016) explains that also smaller actions, such as taking them for lunch or having feedback meetings motivate people. Moreover, Epsilon Corp. makes sure that the employees have the flexibility to have work life balance and also to grow professionally by allowing them to attend industry-related conferences. Manager E (2016) highlights that it is important to be able to provide the same level of flexibility and work life balance to all employees. Epsilon Corp. has a very traditional reward system for sales people, which is a commission based on sales targets. Also, raising the employees' salary and providing them with the tools they need is a way to reward the employees. Furthermore, there is an employer stock option program in place which allows employees to " profit from that growth, profit from the impact" (Manager E, 2016).

5.5.5 Flexible Organizational Structures

When it comes to hiring new candidates Manager E (2016) mentions that there usually is a general idea about what positions need be filled and that is acted upon accordingly. Moreover, if a member of the core team leaves, the recruiting starts immediately as the core team and the skills they possess are crucial to the business. Lastly, when a person is hired, there is a set onboarding process to integrate the new

member into the team. The prefered type of employment is full-time, however, Epsilon Corp. also makes use of freelancers in the development department, given that at times their skills or extra hands are needed as time is limited for certain projects. There is a specific approach for the organizational structure at Epsilon Corp., namely 'holacracy', Manager E (2016) explains that "the idea is to have some sort of a matrix organization, where people join forces, depending on their skill-set from different circles on one project and they fulfill it and then they go and form new projects". When the skills of a specific employee seem to be unused or misplaced within the organization, Epsilon Corp. makes an effort to "understand whether it makes sense to use the employee [...] in another role where we would need skills. And if that works, that's great and if that doesn't work we need to let him go" (Manager E, 2016). There currently are no formal systems in place for job rotation within the organization. Manager E (2016) highlights that Epsilon Corp. is still a small company and the resources are limited, therefore, there is not much shifting overall. However, if anyone asks to be exposed to areas other than their own departments, the HR manager will try to expose the employees to the areas they are interested in.

5.5.6 Continuous Learning

Being passionate about continuous learning is a criterion that is looked at when hiring, as it is something that is part of the culture at Epsilon Corp.: "to learn as we go is part of what we define as cultural fit [...] we have a learning product in itself, so people should be at least curious to continuous learning". Seminars are provided to the employees as long as the resources allow for it. Regarding knowledge sharing, Manager E (2016) explains there is too much going around and there is definitely room for improvement" on that area. Epsilon Corp. utilizes the 'all-hands meeting' on Mondays to collect feedback; in this meeting, everyone is free and enticed to speak, and to also give an overview of what they are currently working on. Manager E (2016) also mentions that feedback is collected via one-to-one conversations, which happen on a regular basis with each employee.

5.5.7 Autonomy and Accountability

Epsilon Corp. does not directly hold employees accountable to the company's success "because I think that's the founders job" (Manager E, 2016). Instead, "we try to give them clear goals and make them accountable to those goals but on the other

hand we try to create an environment where they are able to be productive" (Manager E, 2016). Manager E (2016) explains that they want everyone to have peace of mind and not be worried about their job if another department is not doing well.

5.5.8 Personal Growth

Epsilon Corp. motivates its employees by placing them in positions that allow them to have an impact on the company's growth and direction, as well as allowing them to grow professionally. Furthermore, there exist career development and planning for the employees as well as training plans.

5.5.9 Collaboration

Manager E (2016) explains that all team members help each other and communicate without the need of management promoting it. "We are such a small team that we try to bring the resources together and make the best out of it" (Manager E, 2016) and this is incorporated in the culture. As mentioned before, Epsilon Corp. utilizes the 'holocracy' approach, which entices employees to collaborate with each other. At Epsilon Corp. there exist team building activities from time to time, such as barbeque events, different holiday parties, and going for lunch together. On the other hand, the company does not hold ongoing scheduled activities as they are a small team and everyone knows each other and also because these activities cost and the resources are limited.

5.5.10 Proactivity

Proactivity is a characteristic that is actively looked for when hiring new candidates. Manager E (2016) mentions that proactivity can be detected in an applicant if this person is genuinely interested in working for Epsilon Corp., has done proper research about the company and can hold a good conversation about what Epsilon Corp. is doing, thus, Manager E (2016) concludes that proactivity can be seen in the interview process.

5.5.11 Adaptability

Manager E (2016) explains that being able to adapt to change is expected in this industry and at Epsilon Corp. respectively, which is assessed in the hiring process. However, there might be a "natural negativity of change for some people, but I think in general, especially given our age, especially given the environment that we are

working in, there should be a willingness to adapt to change" (Manager E, 2016). Also, the upper management explains the ongoing changes and the reasonings behind it to employees, which helps for this change to be assumed easily.

5.5.12 Generativity

As previously mentioned, employees are expected to be passionate about continuous learning and it is a characteristic that is important to join the Epsilon Corp.-team. Moreover, Epsilon Corp. promotes continuous learning, for example, through cross-functional projects in which the employees can learn and develop in other areas of the organization.

5.6 Gamma Corporation

Gamma Corporation[13] (Gamma Corp.) was founded in 2015, is based in Berlin, Germany, and employs a total of 30 people. The company acts as a platform for service providers and people who search for specific services such as: personal trainers, disc jockeys, photographers, caterers, guitar teachers or dog sitters. Gamma Corp. acts merely as a marketplace for service providers and customers to connect.

The interview was conducted on the 11th of April, 2016 with Manager C, head of HR. One researcher conducted the interview on-site, the other researcher was connected via Skype.

5.6.1 General Human Resource Management Structures and Activities

The head of the HR department is part of the upper management team and reports directly to the CEO. HRM at Gamma Corp. is divided in two areas, which are: administration and recruiting. Administration is semi-structured, yet if the company is to grow in numbers, it probably will become more structured. The HR department does not use any specific HR software; they use Excel sheets for the administration and Gmail for communication. The HR manager is the one that has most of the first interviews, yet the Chief Technology Officer (CTO) has the first interview call for technical positions. Once the candidates make it past the first interview, the next interview, usually with the hiring manager, happens. Regarding interns, the process is fairly quick: an intern is currently conducting the first call and then a follow-up call is made by the hiring manager. The recruiting for senior positions is more structured, while the process for junior positions is semi-structured.

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[13] Note: at the request of the company 'Gamma Corporation' and 'Manager C' are anonymized names.

5.6.2 Contextual Clarity

The company usually does hold 'town hall meetings'[14], yet they are not currently happening as time has not allowed, but it is a practice that will be resumed. Besides the 'town hall meetings', each supervisor does have smaller meetings with their units in which they communicate and explain changes to the team. Lastly, the upper management takes care of communicating what is happening in the environment and rolls down the findings to the team.

5.6.3 Common Purpose

The culture at Gamma Corp. is very friendly and family-like; it is not competitive as other companies in this field might be. When hiring, Gamma Corp. focuses on hiring the right candidate and personality for this culture to exist. Core values are not yet created as the company is too small and the management has decided to wait for the team to grow and acquire key employees to develop and teach the core values to the entire team. Gamma Corp. has a very broad and general vision, however, the employees are not fully aware of it or active about it. In the last 'town hall meeting' the vision was a main topic, so there is an interest to make it existant and part of the business, yet it is not solidified.

5.6.4 Commensurate Returns

In regards to employees' motivation, there is not much existing at Gamma Corp. as it is not considered to be the most important item to deal with, but it is planned to put an explicit plan for employee motivation together in the future. Nonetheless, the employees have growing responsibility and that itself is motivation, as well as having the chance to be promoted and also to learn to be a team leader. There are no incentive or reward systems in place, as it is not considered to be urgent, however it is also in the plans to be developed.

5.6.5 Flexible Organizational Structures

This company is both reactive and proactive when it comes to hiring; there is a hiring structure in some departments while other departments do not possess it. In some cases the hiring process depends on the visa status of the candidate and it also depends on the department that is acquiring the employee. On the other hand, the departments with a staffing plan are more proactive and may plan on hiring half a

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[14] 'Town hall meetings' are meetings with the whole company, where all employees are informed about the company.

year ahead, this is the case for developers. At Gamma Corp., full-time is the prefered type of employment, but the company also has a few interns. There is room to improve knowledge management, and this has an effect on why the HR manager hires full-time employees mainly: full-time employees and their knowledge stay within the company for the long term. The team, as well as new hires, are prompted to get integrated as a team for example by means of a booklet with pictures and names with all staff members and a brief history of Gamma Corp.. Moreover, everyone is very friendly and open with new members, so teams and groups happen organically. Lastly, there is no job rotation in place, employees are expected to be focused in the jobs they are hired for.

5.6.6 Continuous Learning

The HR manager focuses on acquiring new employees that are passionate about continuous learning and this characteristic is considered to be an important part of the hiring process. It all comes down to the position as well, for example, juniors are expected to move up, thus they are expected to learn and show a desire for growth. As mentioned previously, knowledge management is not a strength, yet it has improved slightly; for example, all teams are required to have a meeting structure and the developers, have 'coding sessions' "where juniors are coding together with seniors and they are really learning intensively" (Manager C, 2016). There are some ideas pending, such as starting an 'Gamma Corp. academy', which can help staff become knowledgeable in certain areas of the business, another idea is to start a 'book club' with books about internal and external factors of the industry that are relevant to all employees. Feedback is collected from supervisors every three months, the supervisors fill out a report with feedback regarding topics as the problems or achievements of the company.

5.6.7 Autonomy and Accountability

Employees at Gamma Corp. are held accountable for the company's success. The HR manager states that there are meetings in which numbers are discussed and "if the numbers are bad, [..] they are explaining why or we are asking" (Manager C, 2016), this accountability with metrics and numbers also happens in the one-to-one meetings with supervisors.

5.6.8 Personal Growth

Development plans are used and are always rolled out after new members are hired; each development plan is tailored to the employee's and the company's needs as they are different for levels and departments.

5.6.9 Collaboration

Communication and collaboration is not actively promoted, but it is found to be part of the culture and the HR manager aims to find and hire people with these qualities. The same is the case for employees supporting each other, although no systems for collaboration among team members are in place, it happens on its own as it is part of the culture. Regarding team building activities, there are some gatherings that happen continuously, such as 'beer o'clock' and 'lunch-lottery', which are fun events to loosen people up and increase communication. Besides the mentioned items, there are no official gatherings for team building found in the company.

5.6.10 Proactivity

The HR manager does look for proactive employees when hiring, the candidates must be driven without external motivation such as bonuses or salary, "we need somebody who is [...] driven by achieving something" adds Manager C (2016).

5.6.11 Adaptability

There are no systems in place to ensure that employees are willing to embrace change, yet, Gamma Corp. is aware that this is a practice that should be implemented as it can help employees be aware of internal and external changes.

5.6.12 Generativity

In regards to employees being passionate about continuous learning, the HR manager aims at hiring candidates with the desire to grow and learn, especially for senior positions. Moreover, "the high performance people are focusing on self-education and personal growth" (Manager C, 2016).

5.7 Rebtel

Rebtel was founded in 2006 in Stockholm, Sweden and consists of 80 employees today. Rebtel is a provider for international phone calls and offers its service in 54 countries. The company provides a platform for their customers that facilitates convenient international phone calls via the internet, or via local phone lines. The

mission of the company is to disrupt the telecommunication industry with their service.

The interview was conducted via Skype on the 12th of April, 2016 with Magnus Larsson, CEO of the company.

5.7.1 General Human Resource Management Structures and Activities

Rebtel does not have a proper HR manager, instead, the HRM tasks are divided between the CEO, the hiring manager, the company's lawyer and the office manager. The administrative parts are managed mainly by the office manager, the lawyer is responsible for the contracts and the CEO and the hiring manager share the operative part of the HRM.

The company's HRM processes are fairly formalized: Rebtel uses a digital cloud HR system that tracks all the applications and that is accessible for all managers in the company. With regards to the hiring process, once a position is defined and approved, the office manager publishes the position on the company's job page and also on job pages of the Swedish government. Additionally, depending on the position to be filled, the position is published in thematic job portals and Larsson (2016) states: "one of the most important places for us to recruit is via referral". Rebtel works together with a recruiting company for positions that are difficult to fill. Once Rebtel receives applications they are reviewed and a first interview takes place with the hiring manager, preferably in person. If the first interview is successful the applicant is invited to have an interview with someone from another department. Lastly, Rebtel uses what they call 'the grandpa-principle' that is, the hiring manager's manager has a last interview with the final candidate. Larsson (2016) explains that "for 90 percent of all the roles we have a […] testing" and adds that the testing consists of an intelligence test and mainly targets the applicant's problem solving skills. The last step of Rebtel's hiring process is a reference check, which is followed by the negotiation of the contract details.

5.7.2 Contextual Clarity

Contextual clarity at Rebtel is achieved through several meetings. Two to four times a year Rebtel organizes 'kick-offs' with the whole company that take place during two full working days. Additionally, Rebtel uses different types of meetings in their daily activities: first, the so called 'monday stand-ups' where everyone in the company shares information about the internal happenings of the previous week and

also about changes in the external environment, for example concerning competitors. Second, Rebtel organizes 'showcase evenings' "where we go through all the latest product development that we are doing" (Larsson, 2016). Lastly, the departments have weekly 'follow-up meetings' to discuss the status of their projects.

5.7.3 Common Purpose

Rebtel fosters common purpose through hiring people that fit to the company's culture. According to Larsson (2016), the Rebtel-culture is characterized by smart people, that take responsibility, have an open personality, that do not work to achieve a high level of prestige, but who focus on results instead. Additionally, Rebtel defined core principles that provide the frame of the employee's behavior and that guide the daily activities according to the company's vision. Rebtel's vision is also supported by education activities, such as the onboarding of new employees and regular presentations. Furthermore, 'performance follow-ups' and bonus targets for the employees help to make everyone at Rebtel work towards the company's goals and vision.

5.7.4 Commensurate Returns

On the one hand, Rebtel provides its employees returns in terms of motivation. The company aims at hiring people who fit the company's culture, have the same ambition and that want to create something great, that is, people who want to achieve the company's vision. Also, the Rebtel office is located in Stockholm, and the employees are provided with free food and activities, such as ping pong tables. Moreover, Rebtel provides financial and other, more tangible returns to its employees: "We have competitive salary, we have […] stock programs for people working here […], we have a very good pension solution, we also have a pretty good health package" (Larsson, 2016). The financial returns are partly linked to a bonus system, where 60 percent are common targets and 40 percent consist of individual goals.

5.7.5 Flexible Organizational Structures

Rebtel's organizational structures are designed to be able to cope with the company's complex environment and it is noticeable that the company has established a well-defined organizational structure. It takes four to five months until a position is filled, since the new hires of Rebtel usually still work in another company. Rebtel employs 95 percent full-time employees, Larsson (2016) explains:

"the employee[s] are the most valuable resource we have, so having contingency in the work that you are doing, also creating [...] a culture". The other five percent are employed either as hourly employees, mainly in customer service, or as consultants. The manager of a team is responsible to make sure that the team works together efficiently and effectively, however, it is also the employee's ambition that fosters a smooth collaboration. Rebtel does not shift employees between departments, yet, the company constantly executes cross-functional projects where different people work together. Job rotation is not a common practice at Rebtel either, Larsson (2016) states: "I think we are maybe too small to have job rotation systems". In case Rebtel has an employee whose skills are no longer needed "First we check if the competence is needed somewhere else in the company" (Larsson, 2016), however, if there is a cultural mismatch that cannot be solved over time, the company separates from the employee.

5.7.6 Continuous Learning

Continuous learning is key at Rebtel. Larsson (2016) explains: "it's like making sure that you hire a person that is curious. That is willingness to continuously develop themselves and if you are continuously interested in developing and becoming better, learning is a natural part of that". Additionally, the company uses meetings and organizes events, such as 'hackathons' for developers, to stimulate continuous learning. Rebtel created an environment that fosters the knowledge transfer in order to make sure that the employees share their knowledge: "we have one third of the desks being [...] rotational places […] We also have a [...] pretty big bar/restaurant/coffee place [...] for having round tables [...] The whole office is actually build for interaction between the people. And that's usually the best way to transfer knowledge" (Larsson, 2016). Rebtel uses an employee survey and special meetings twice a year, as well as 'follow-up meetings' between managers to make sure that the organization improves as well.

5.7.7 Autonomy and Accountability

Rebtel wants its employees to take responsibility and to take initiative in working towards the company's goals, however, the company holds its employees accountable for the company's success as well. Rebtel indirectly creates accountability through the stock program that turns the employees in shareholders and thus, creates a natural interest in the success of the company. Moreover, the

employee's bonus depends to a 40 percent on achieving individual goals, which also indirectly creates accountability.

5.7.8 Personal Growth

Rebtel uses performance reviews twice a year to foster the personal growth of the employees. The purpose of the performance review meetings is twofold: "One is that you go through the performance [...] looking backward, at the same time you are also looking forward, what is coming up, and you also have a part […] discussing what do the person see next" (Larsson, 2016). In addition to this, monthly 'follow-up meetings' with the direct manager take place to discuss the performance on a more general level.

5.7.9 Collaboration

The collaboration between the employees of Rebtel is promoted through the open space office, where everyone can communicate freely and where contact among employees is promoted. Additionally, the common goals, linked to the bonus system, require everyone to collaborate in order to successfully achieve a goal. Lastly, Rebtel has a so called 'sponsorship' in place to foster the relationships between employees and to minimize barriers for collaboration, which means that whenever there are more than five employees who want to do an activity together, for example a specific type of sport, Rebtel will sponsor this activity for its employees.

5.7.10 Proactivity

Proactivity is a characteristic that Rebtel actively looks for in its employees and by means of which Larsson (2016) describes the employees at Rebtel. "It's being responsible [...] and if you feel responsible [...] then to us usually you are very proactive" (Larsson, 2016), therefore, the company does not use the term 'proactivity' but calls it 'personal responsibility'.

5.7.11 Adaptability

Larsson (2016) highlights that to make sure that the employees are willing to embrace change, "one of the things is actually […] to change frequently", referring to small things in the daily working life such as, for example, changing the benefits for working very long or having rotating desks. Larsson (2016) adds: "The world changes, suddenly this happens or this happens, so I think just by working in this type of company you already a little bit accepted that things do change."

5.7.12 Generativity

Rebtel takes care to hire curious people who are keen on continuously learning and improving. Rebtel's employees are all open-minded and want to learn and want to be educated to broaden their professional and personal horizon according to Larsson (2016). The company created a learning environment and organizes learning events to foster this mind-set.

6 Cross-Case Analysis

This chapter puts the empirical findings presented in chapter 5 in relation to the theory discussed in chapter 3. The cross-case analysis is divided in two parts. First, we analyze the general HRM structures of SME e-businesses to be able to answer the first research question, then, the HRM and workforce characteristics towards business agility are analyzed across all case companies to elaborate an answer to the second research question.

6.1 Analysis of General Human Resource Management Structures and Activities

A summary of the general HRM characteristics can be found in table 6-1.

Three of the seven case companies dispose of a separate HRM department, while the other four organize the HRM tasks as additional duties of one or several employees.

Beta Corp. and Delta Corp., the two case companies with the largest number of employees possess a separate HRM department, but also the youngest company, Gamma Corp. that disposes of a rather small staff size of around 30 employees and only founded in 2015 disposes of a separate HRM department. Gamma Corp. does not confirm Arthur's (2004) statement that a separate HRM department does usually not exist in very young companies. Surprisingly, Rebtel as one of the three biggest case companies with 80 employees, does not have a separate HRM department that takes care about the company's HRM activities and procedures. The HRM tasks are divided among the CEO, the company's lawyer and the office manager instead. The smaller case companies Alpha Corp., Easyfy/Litenleker and Epsilon Corp. do not have separate HRM departments due to the resource constraints of SME's (Hudson, et al., 2001). Instead, the HRM tasks are either shared amongst the owners, as it is the case at Easyfy/Litenleker, or the HRM tasks represent an additional duty for the CEO or one of the co-founders, as it is the case for Alpha Corp. and Epsilon Corp.. The research of Levi and Powell (2012) that states that the owner-manager plays a central role in SMEs is confirmed by the fact that the CEO or a co-founder is in charge of the HRM activities in the smaller case companies.

The vast majority of the case companies disposes of semi-formalized to formalized general HRM structures and processes. Beta Corp., Delta Corp. and Rebtel dispose of formalized HRM structures and activities, while Alpha Corp., Gamma Corp. and Epsilon Corp. possess HRM structures and activities that are semi-formalized. Only

Easyfy/Litenleker does not possess formalized HRM activities and routines. The findings on HRM structures and processes lead to the conclusion that HRM structures and activities are more similar to the considerable level of formalization found for e-business in general (Dietz, et al., 2006) than to the informality found for HRM structures in SMEs (Brand and Bax, 2002).

All case companies publish open positions in online media, such as job portals or social media platforms; this is in line with Holocombe Erhart and Chung-Herrera (2007) who find that web-based recruiting is especially useful in the e-business context to attract people with the necessary technological skills. Most case companies additionally emphasized that online platforms represent a quite convenient possibility to publish positions. However, Alpha Corp. believes that platforms, which are free of charge, do not attract the right type of workforce.

Four of the seven cases use specific HRM tools to manage all HR-related data, which is found to be crucial by Wright and Dyer (2000) to keep up with a rapidly changing environment.

In summary, there is no clear tendency found on whether the general HRM structures and characteristics in SME e-businesses are more alike the characteristics that previous research found for SMEs, or more alike the ones identified for larger e-businesses. The results of the cross-case analysis with regards to the general structures of the HRM and the role of the owner-manager revealed a majority of four cases towards the structures of SMEs; interestingly, this tendency cannot be fully explained with the differences in staff size and livelihood of the case companies. On the other hand, the case companies clearly conform to research on e-businesses concerning the level of formalization of the HRM activities and processes and regarding the use of online platforms and HRM tools.

Table 6-1: Summary of the cross-case analysis regarding general HRM characteristics

	Alpha Corp.	Beta Corp.	Delta Corp.	Easyfy/Lit en-leker	Epsilon Corp.	Gamma Corp.	Rebtel
HRM depart-ment	a) No separate HRM department b) HR responsible is part of the upper management team	a) Separate HRM department b) Divided into sub-teams c) HR manager reports to HR VP, who is part of the upper management team	a) Separate HRM department b) HR manager is not part of the upper management team but reports directly to the CEO	a) No separate HRM department b) HR tasks are shared between the owners	a) No separate HRM department b) CEO's task	a) Separate HRM department b) HR manager is part of the upper management team	a) No separate HRM department b) HRM tasks are divided among CEO, lawyer and office manager
HRM struc-tures	a) Semi-formalized structures but dependent on each position	a) Formalized structures (HR tools and guidelines)	a) Formalized structures and processes (HR tools and guidelines)	a) No set structures	a) Informal recruiting process b) Structured interview process	a) Semi-formalized structures (no HR tools, but set hiring process)	a) Formalized structures and processes (HR tools and guidelines)
Publica-tion of positions	a) Online	a) Primarily online	a) Online	a) Primarily online	a) Online	a) Online	a) Online and via referral

6.2 Analysis of Human Resource Management- and Workforce Characteristics towards Business Agility

The cross-case analysis for each business agility characteristic is based on a within-case analysis of each case company. The analysis was conducted by means of the assessment scale, which is presented in chapter 4.8. The scale classifies the HRM activities of each company on a range from 1 to 5, where 1 is the lowest level with the company not being aware of the importance of the respective characteristic and not having any existing HRM activity towards the characteristic in place; while 5 represents a high level of awareness and very well integrated and formalized HRM activities towards the respective characteristic.

A summary of the cross-case analysis is shown in table 6-2 below and is further explained in following the sub-chapters.

Table 6-2: Summary of the cross-case analysis regarding agility characteristics

	Alpha Corp.	Beta Corp.	Delta Corp.	Easyfy/ Liten- leker	Epsilon Corp.	Gamma Corp.	Rebtel
Contextual clarity	2	4	5	3	4	3	5
Common purpose	4	5	5	3	4	3	5
Commensurate returns	3	5	5	5	5	2	5
Flexible organizational structures	3	3	4	3	4	3	3
Continuous learning	4	5	4	5	3	3	5
Autonomy and accountability	3	5	4	2	4	4	3
Personal growth	3	3	3	3	4	4	4
Collaboration	3	5	5	4	4	3	5
Proactivity	3	3	3	2	3	3	3
Adaptability	2	3	3	3	3	2	3
Generativity	4	4	5	5	4	3	4

6.2.1 Contextual Clarity

The results of the case companies regarding contextual clarity are fairly dispersed.

Delta Corp. and Rebtel integrate their HRM activities towards contextual clarity very well and show a high level of awareness of the importance to create contextual clarity, therefore, both can be considered a 5. In line with the research of Wright and Dyer (2000) and Dyer and Ericksen (2005) both companies make use of several activities, which are incorporated in a set meeting structure to make sure that their employees are aware of the external environment. The company and its external environment are introduced to every new employee during the onboarding process at Delta Corp. Furthermore, there are monthly 'stand-up meetings' with the entire company and the CEO where information about the company and its external context is shared. Rebtel possesses a well-developed meeting structure to share information about the internal and external situation of the company as well. Moreover, the company organizes 'kick offs' several times a year, which are seminars to create

contextual clarity that take place with the entire company that last two full working days.

Beta Corp. and Epsilon Corp. are deemed 4. A set meeting structure to inform the employees about the company's performance and about the external environment exists at Beta Corp., and Epsilon Corp. communicates changes in the external environment to its employees in the weekly 'all hands meeting' where they also explain the strategic point of view on the changes. Both companies manage to achieve a good level of transparency regarding change processes through their meeting structures, which accords to the research of Shafer, et al. (2001).

Two case companies represent a 3 on the classification scale, namely Easyfy/Litenleker and Gamma Corp.. Easyfy/Litenleker informally promotes contextual clarity through communication, which is possible due to the small size of the team. Gamma Corp. uses communication through meetings to inform the employees about the company's performance and changes in the external environment. Yet, the meetings at Gamma Corp. are not conducted regularly, therefore the meeting structure can be considered semi-formalized.

Alpha Corp. is considered to be a 2, because it displays a low level of awareness for the importance of creating contextual clarity among the employees, and the company does not utilize any formalized structures to inform all employees about the company's situation and about the external context. Consequently, Alpha Corp. does not actively promote the anticipation of changes as is emphasized by Horney, et al. (2014).

Generally, contextual clarity is well integrated in the majority of the case companies. Four out of the seven companies have formalized or very well integrated practices in place to foster contextual clarity. We argue that SME e-businesses dispose of well defined HRM activities to enable business agility through contextual clarity, given that even the two smallest companies communicate changes in the external environment, either through informal communication (Easyfy/Litenleker), or through weekly 'all hands meetings' (Rebtel).

6.2.2 Common Purpose

The findings for common purpose are rather homogeneous, given that all companies promote these characteristics through at least informal activities. Yet, there still are perceptible differences.

Beta Corp., Delta Corp. and Rebtel are the three cases that reveal the most pronounced and formalized HRM activities towards creating common purpose, all three companies were classified as a 5. These three companies manage to make their employees intrinsically know the values of the company and the vision for the future and reflect Dyer and Ericksen's (2005) view of a shared vision and core values as contributing factors towards common purpose and thus, towards business agility. Beta Corp. disposes of clearly defined core values and uses a well-structured system for common and individual goals of the employees that targets the company's overall success. Also Delta Corp. does a lot to make everyone internalize the core values of the company: the company explains the values and their history to new employees, the vision is repeated and progress towards its achievement is reviewed during the monthly 'stand-up meetings'. The transparent communication of the vision in order to generate confidence confirms with the research of Horney, et al. (2014). Rebtel clearly communicates the core values and the vision as well and supports their adoption through education activities, 'follow-up meetings', and the bonus system.

Alpha Corp. and Epsilon Corp. are deemed a 4. Alpha Corp. communicates its vision and core values through different types of meetings and during team events. Epsilon Corp. communicates its core values to each new employee and the company's vision was introduced to all employees in the course of a rebranding of the company and is supported by specific action plans that are available to all staff.

Gamma Corp. and Easyfy/Litenleker are classified as 3, given that their activities and structures are rather irregular and informal respectively and do not consistently make the employees work together to achieve a common goal, as found important by Wright and Dyer (2000). Core values do not exist at Gamma Corp. and the vision is only communicated in 'town hall meetings', yet these meetings are currently not taking place. However, the company assesses the personality of applicants during the hiring process to make sure that they fit to the company's culture and work towards the same goals. At Easyfy/Litenleker the communication and discussion of the company's focus on numbers is rather conversational, which is sufficient with regards to the company's staff size. Yet, core values are not in place at Easyfy/Litenleker.

Altogether, common purpose is well anchored in SME e-businesses. HRM practices towards common purpose exist in all case companies and interestingly, even smaller companies, for example Alpha Corp. and Epsilon Corp., dispose of

formalized HRM activities to promote common purpose. Consequently, we argue that common purpose is being enabled fairly good through HRM activities at SME e-businesses. The development of core values, for example, is an activity that is time-consuming but that will have a large impact on the employee's contribution, which will benefit the company in the long run.

6.2.3 Commensurate Returns

The results for commensurate returns are fairly homogeneous and surprisingly show a high level of formalization. Though, two of the seven case companies do either not use HRM activities to increase commensurate returns or only apply informal practices.

The three biggest case companies in terms of staff size Beta Corp., Delta Corp. and Rebtel, and the two smallest case companies Easyfy/Litenleker and Epsilon Corp. dispose of formalized HRM activities and well-integrated routines with regards to commensurate returns and are classified as 5. Bonus systems are deemed important for achieving business agility by Shafer, et al. (2001) and are either already in place in the mentioned companies, or are being developed at the moment. Furthermore, the five companies previously mentioned place a lot of importance on motivational returns, which were identified as the second type of returns for business agility by Wright and Dyer (2000). Delta Corp. organizes a multiplicity of motivation activities, such as summer parties, and offers discounts for gyms to its employees; furthermore, Delta Corp. has a well-structured reward system in place. Beta Corp. organizes multiple learning events and monetary returns, such as a virtual share program and pension schemes are in place at the company. Rebtel utilizes quite formalized motivational activities, such as ping pong tables and free food for its employees, furthermore, Rebtel provides several financial returns, such as a competitive salary and a stock option program for the employees. Easyfy/Litenleker has a well-defined bonus system and formalized goals in place, which influence the returns for the employees. Lastly, also Epsilon Corp. provides a broad variety of returns to its employees: first, everyone can have an impact on the company's development, second, Epsilon Corp. allows for flexibility and a good work life balance, and third, the company provides financial returns in terms of rewards and salary increases.

Alpha Corp. is deemed 3, as the company recognizes the importance of returns and plans the implementation of a reward system. However, the rewards are currently

based on a high level of responsibility, the benefits of being part of a co-working space, and on motivational activities as team events.

Gamma Corp. is classified as 2, because the company does not provide many returns to its employees and consequently, does not confirm the research of Horney, et al. (2014) that emphasizes proper rewards for the employee's achievements. Motivation mainly stems from job enrichment, yet, there are no incentive or reward systems in place. The company is aware that this factor should be emphasized and will take this on in the future.

Summing up, commensurate returns is an aspect that is surprisingly well integrated in SME e-businesses considering the resource constraints of the companies and fostered through several, mostly formalized HRM activities. More than half of the case companies provide several financial returns (Beta Corp., Delta Corp., Easyfy/Litenleker, Epsilon Corp., Rebtel). However, the companies also have a strong focus on motivational returns, which are more feasible with the limited resources that the companies have at their disposal.

6.2.4 Flexible Organizational Structures

The outcome with regards to flexible organizational structures is very uniform among all cases. While flexibility is achieved through formalized activities in two of the seven case companies, all other companies achieve flexibility in the organizational structures through informal or semi-formalized practices.

Delta Corp. and Epsilon Corp. utilize formal HRM activities to achieve flexibility in the organizational structures and are considered a 4. Epsilon Corp. is the case company that formalized the flexibility of the organizational structures the most by utilizing the 'holacracy' approach to create a matrix organization. Epsilon Corp. perfectly follows the research of Dyer and Ericksen (2005) that argues for structuring the work according to tasks instead of positions. Delta Corp. utilizes some kind of a job rotation initiative, the 'customer care day', and switches employees to other departments to cope with peaks in the workload. Delta Corp. accords with the research of Nijssen and Paauwe (2012) that found that flexibility in the organizational structures is the ability of a company to scale its workforce according to changing requirements. Moreover, Delta Corp.'s practices also reflect what has been found crucial by Camarinha-Matos, et al. (2001): a redefinition of the internal roles when needed.

All other case companies achieve flexibility rather through informal practices and are considered a 3. Alpha Corp., for example, hires new employees spontaneously if they receive an interesting profile. However, Alpha Corp., in line with Wright and Dyer (2000), realized that a flexible organization is an important aspect, which is why a continuous search process for key positions was implemented. Beta Corp., Easyfy/Litenleker and Gamma Corp. are able to hire employees within a short period of time as well, if a suitable candidate is found. Lastly, flexibility in the organizational structures is achieved through rather unstructured activities at Rebtel, such as cross-functional projects and through the company culture.

The flexibility of organizational structures is generally a characteristic that is difficult to achieve for SME e-businesses. Only few companies manage to formalize the flexibility through HRM activities and several HR managers explain that they do not have the resources to create flexibility in the organizational structures and that the employees should focus on their specific tasks. SME e-businesses are generally quite flexible in their structures, yet, this rather stems from the lack of well-developed organizational structures than from formal HRM practices.

6.2.5 Continuous Learning

The findings for continuous learning are homogeneous in the sense that all case companies utilize HRM activities that support continuous learning. Yet, there are differences with regards to the level of formalization of these activities.

In the case of continuous learning it is again two of the companies with the largest number of employees and the smallest company that are considered a 5 and have the most formalized and best integrated HRM activities in place. Continuous learning is part of the company culture at Beta Corp. and belongs to the characteristics that are assessed during the hiring process. The focus of Beta Corp.'s culture on learning creates a learning environment, which is important according to Dyer and Ericksen (2005), additionally, the company offers seminars and learning events to the employees, organizes regular meetings and utilizes the OKR system. Practices, such as seminars and trainings that are utilized by Beta Corp. have been identified in previous research, amongst others by Camarinha-Matos, et al. (2001) and Nijssen and Paauwe (2012), as contributors to business agility. Learning is key at Rebtel as well and many activities are organized to foster this characteristic, for example 'hackathons' and trainings. Furthermore, the company designed the office in a way that allows for short communication channels and promotes rapid learning and

knowledge sharing, which is suggested by Horney, et al. (2014). Easyfy/Litenleker, the smallest case company in staff size, promotes continuous learning through regular meetings, such as 'demo sessions' or 'code reviews', where everyone shares knowledge with the other employees. In addition, developers at Easyfy/Litenleker are actively asked to dedicate 20-50 percent of their working time to non-work-related topics.

Alpha Corp. and Delta Corp. dispose of formal HRM activities to foster continuous learning, yet, both companies lack practices to promote knowledge sharing and are deemed 4. Alpha Corp. utilizes learning initiatives, for example in the IT and sales department, and Delta Corp. organizes several workshops and seminars, for example language classes, to make sure that the employees continuously learn; moreover, feedback is given to and collected from the employees at Delta Corp as well; this reveals that Alpha Corp. and Delta Corp. confirm the research of Shafer, et al. (2001) by fostering the employee's willingness to learn through several initiatives and seminars.

The HRM activities to achieve continuous learning are rather informal or semi-formalized at Gamma Corp. and Epsilon Corp., thus the companies are considered a 3. The willingness to learn is a criterion during the hiring process for Epsilon Corp., but the company also tries to let its employees participate in seminars and conferences when demanded and when the resources allow for it. With regards to knowledge sharing, which also enables learning, the company still needs to improve. A learning environment, as suggested by Wright and Dyer (2000), is only lightly promoted at Gamma Corp.: the willingness to learn is assessed during the hiring process and several meetings are utilized for feedback, though, there are no set routines in place.

In sum, all companies are aware that continuous learning is an important characteristic to cope with the rapidly changing environment, especially in the e-business context. However, only four out of the seven cases dispose of set and formalized structures to foster continuous learning. A lack of time is one of the reasons for not having formalized activities, especially regarding knowledge sharing practices. Though, most SME e-businesses acknowledge that the time investment will pay off soon and dispose of quite formalized HRM activities towards continuous learning, above all, because the skills of each employee are more important in a smaller company than in a large company (Deshpade and Golhar, 1994).

6.2.6 Autonomy and Accountability

The results for autonomy and accountability differ considerably among the case companies. All companies are aware of the relevance of balancing autonomy and accountability, yet some do not have any accountability mechanisms in place.

The most advanced HRM activities to balance autonomy and accountability are present at Beta Corp. and are considered a 5. Beta Corp., the biggest case company in staff size, consistently uses the OKR system to define the direction of the company and to hold the employees accountable. Within the range of the goals, every employee has a lot of autonomy and can take ownership for his or her projects, yet ultimately everyone is held accountable to his or her goals; such an appropriate balancing of the two opposite poles was already mentioned as an important factor for business agility in the research of Nijssen and Paauwe (2012).

Delta Corp., Gamma Corp. and Epsilon Corp. are deemed 4. Delta Corp. uses regular feedback meetings to discuss and measure the performance of every employee and the employees of Gamma Corp. have a high level of responsibility and autonomy, but regular meetings take place with the supervisors where the numbers are discussed and where the employees are held accountable for possibly poor results. Also, Epsilon Corp. disposes of set goals that the employees are held accountable for, yet the philosophy of Epsilon Corp. is to break down the accountability of the overall success into goals for each department and for each employee and to hold them accountable for their responsibilities. All three companies are in line with the research of Wright and Dyer (2000) that stresses that autonomy needs to be attained with accountability.

Alpha Corp. and Rebtel are classified as 3, given that Alpha Corp. only communicates its expectations on the employees' contribution to the staff and Rebtel only indirectly achieves accountability through the stock option program and individual goals.

Easyfy/Litenleker does not deliberately pursue the ownership of outcomes emphasized by Dyer and Ericksen (2005), therefore, the company is considered a 2. The company's team is very small and possible issues with regards to accountability are discussed.

All in all, the balance between autonomy and accountability is a characteristic that all case companies are aware of, though, there are differences in the level of formalization and incorporation of HRM practices to achieve accountability. All

companies state that the employees have a high level of responsibility and autonomy and the accountability mechanisms in SME e-businesses do not necessarily depend on the company size, but are rather linked to the company culture and the management style.

6.2.7 Personal Growth

Personal growth revealed fairly homogeneous results among the seven case companies. While four companies possess semi-formalized or informal HRM activities to promote personal growth, three case companies dispose of formalized HRM activities.

Gamma Corp., Rebtel and Epsilon Corp. have formalized HRM activities to foster personal growth and are considered a 4. Gamma Corp. and Epsilon Corp. elaborate detailed and structured career development plans for each employee, depending on the employee's targets and the company's needs and resources. Furthermore, Epsilon Corp. offers the employees the opportunity to take a lot of responsibility and to have an impact on the company's success to facilitate personal growth. The findings of Gamma Corp. and Epsilon Corp. match the research of Camarinha-Matos, et al. (2001) and Wright and Dyer (2000) that identify appropriate training programs as an important element for personal growth. Rebtel uses performance reviews to identify areas where the employees want to grow, which can be considered a proactive manner towards the employee's learning process emphasized by Shafer, et al. (2001).

The other four case companies support personal growth with semi-formalized or rather informal HRM activities and are deemed to be a 3. Personal growth is primarily achieved through a high level of responsibility at Alpha Corp., additionally, semi-formalized initiatives, for example the sales department's initiative to pursue personal non-sales related goals, are utilized to support personal growth. Yet, Alpha Corp. did not implement comprehensive career development plans so far. Delta Corp. mainly utilizes its 'buddy program' to promote the employee's growth through the assistance of a more experienced employee, however, the company does not make use of career development plans neither. All employees have ownership at Beta Corp., thus, barriers for self-initiative are reduced as recommended by Dyer and Ericksen (2005). Easyfy/Litenleker fosters personal growth indirectly through individual goals. No development plans are being elaborated in the latter two companies.

Summing up, personal growth appears on the agenda of all case companies and all of them dispose of activities to foster this element. SME e-businesses do as much as they can to promote the growth of their employees, especially, because each single employee has a significant impact in smaller companies (Deshpade and Golhar, 1994). The results show that extensive career development plans are rarely feasible in SME e-businesses, however, this type of company is able to incentivize personal growth through smaller initiatives.

6.2.8 Collaboration

All case companies do have HRM activities in place regarding collaboration. Yet, two of the companies only dispose of informal or semi-formalized practices, while two cases utilize formalized HRM activities and three incorporate the HRM practices very well.

Beta Corp., Delta Corp. and Rebtel are considered a 5. Beta Corp. incorporates its HRM activities towards collaboration very well in the company's structures and daily activities. Collaboration and interaction among employees are required by the company's organizational structures, furthermore, Beta Corp. supports collaboration through a multiplicity of team building activities and through the OKR system that requires collaboration. Dyer and Ericksen (2005) emphasize that collaboration is an important factor to achieve the freedom and flexibility that is needed for the agility of a business and this is understood by Delta Corp. The company utilizes many different team building activities and meetings to tighten the relationships among the employees and to decrease possible barriers for collaboration, consequently, a very open culture is achieved. Rebtel possesses many different HRM activities to promote spontaneous collaboration among the employees, as emphasized as well by Wright and Dyer (2000). The company utilizes rotational desks to eliminate barriers for collaboration, common targets require the employees to collaborate to achieve the goals, and team events strengthen the relationships among the employees.

Easyfy/Litenleker is considered a 4 and has a set meeting structure to promote collaboration when support is needed in one area. Moreover, the company organizes team events to strengthen the relationships among employees and to facilitate collaboration. Also, Epsilon Corp. is considered a 4 and utilizes several team building activities to decrease possible barriers for collaboration, additionally, the company's 'holacracy' approach towards organizational structures further enforces collaboration. The mentioned team building activities reflect the research of

Camarinha-Matos, et al. (2001) that stresses a culture of collaboration and trust among the employees.

Alpha Corp. and Gamma Corp. are considered a 3 and foster collaboration rather informally. Collaboration is above all expected at Alpha Corp. and this expectation is communicated to the employees, yet, the communication belongs to each department's duties and is fairly selective. Irregular team events are used to strengthen the relationships among the employees and to foster collaboration. Collaboration is considered to arise from the culture at Gamma Corp., which matches the theory of Camarinha-Matos, et al. (2001) that highlights the relevance of a supportive culture for cooperation. Nevertheless, Gamma Corp. also organizes some team events to decrease barriers for collaboration.

Concluding, all companies promote collaboration at least informally and the majority of the case companies possesses formalized HRM activities to foster this characteristic. However, significant differences can be identified among the activities: while Gamma Corp. considers collaboration as a factor depending on the company's culture, Rebtel makes a very proactive effort to encourage collaboration in the company. We argue that collaboration is a characteristic that happens almost naturally in smaller companies, given the company's staff size and the necessity to combine all HR to achieve the company's goals. Therefore, not all SME e-businesses make a big effort to foster collaboration.

6.2.9 Proactivity

Proactivity is an important characteristic for all case companies. All interviewees agree that proactive employees are needed at their company, yet, the HRM activities to ensure that the employees are proactive vary fairly.

Many case companies provide definitions of a proactive person that complement and overlap each other and that correspond to Wright and Dyer's (2000) definition of a person that initiates and innovates: it is a person that takes a lot of responsibility, someone who works with passion, who is internally driven and who assumes tasks before it is demanded.

All companies, besides Easyfy/Litenleker, were classified as 3. Alpha Corp., Beta Corp., Gamma Corp., Delta Corp. and Epsilon Corp. assess proactivity during the hiring process. A proactive person for Alpha Corp. is, for example, someone who already tested the trial version of the company in advance, though the company does not foster it actively once an employee starts working. Only Delta Corp.

communicates its expectations regarding proactivity during the onboarding process as well. Proactivity is an essential part of the company culture for Rebtel, yet, the interviewee did not mention whether it is a characteristic that is assessed during the hiring process.

Proactivity is also deemed important at Easyfy/Litenleker, but the company is only considered a 2. The company does not assess proactivity during the interviews, because it is hard to evaluate and there do not exist any HRM practices to foster proactivity.

The results reveal that the assessment and the promotion of proactivity is difficult, due to the intangible nature of the characteristic. Alpha Corp. has a good possibility to assess proactivity, yet, others state that it is difficult to assess before someone starts working. The results reveal that the environment of SME e-businesses is very dynamic and does not represent a surrounding in which reactive people enjoy working; therefore, people who apply at this type of company mostly display proactivity as one of their characteristics. However, SME e-businesses do not possess well defined HRM practice to foster proactivity.

6.2.10 Adaptability

The awareness that adaptability is a characteristic of the employees that benefits the company is present in all case companies. However, not all case companies actively support this characteristic.

According to Wright and Dyer (2000), adaptability is the ability of an employee to assume multiple roles and to rapidly redeploy. Beta Corp., Delta Corp., Easyfy/Litenleker, Rebtel and Epsilon Corp. are the companies that display the most formalized HRM activities towards adaptability, yet these activities are still semi-formalized and considered a 3. Beta Corp. assesses adaptability during the interviews based on the applicant's previous experiences. Delta Corp. explains changes to the employees to make them susceptible to changes and assesses the characteristic during the hiring process as well. Easyfy/Litenleker communicates changes from the competitors or other elements in the external environment that affect the company as well. The company believes that the employees are willing to cope with the changes when they know that it benefits the company and when they feel involved in the change process. Epsilon Corp. explains changes to the employees to make them receptive to changes and assesses adaptability during the hiring process. Rebtel is aware that adaptability is an important characteristic and utilizes semi-formalized

structures to foster it, for example, the habit of changing small daily benefits, such as getting a taxi paid by the company when working very long, frequently to accustom employees to change.

Alpha Corp. and Gamma Corp. both agree on the changing environment that they operate in, but there are no practices in place to strengthen adaptability in the employees, therefore, both companies are classified as 2.

In sum, the adaptability of employees is important for all companies, yet, only two of the cases dispose of formalized HRM activities to foster this characteristic. All other case companies do either promote adaptability through indirect or semi-formalized activities or do not actively strengthen the characteristic at all. Nevertheless, the companies do not seem to have difficulties with the employee's level of adaptability, which might be due to the general personality of the people working in the e-business context.

6.2.11 Generativity

Generativity is a characteristic of the workforce that all case companies foster through HRM activities. However, some case companies use only informal or semi-formalized HRM practices, while others dispose of very well formalized and deeply incorporated activities.

Delta Corp. and Easyfy/Litenleker are the two cases that dispose of very well integrated HRM activities to make their employees learn and educate themselves and are classified as 5. Being generative means to continuously learn and to educate oneself according to Wright and Dyer (2000); thus, this characteristic is somewhat linked to, and overlaps with the elements continuous learning and personal growth. Easyfy/Litenleker asks its developers to take 20-50 percent of their working time to focus on non-work-related projects to expand their knowledge base, despite the company's staff size and its resource constraints. Also, other employees at the company are actively supported in their desire to learn. Learning and educating oneself is core as well at Delta Corp.: the company itself offers several workshops and seminars to the employees and if someone at Delta Corp. wants to expand his or her knowledge in a specific field the company will finance the respective training.

Alpha Corp., Beta Corp., Rebtel and Epsilon Corp. are considered a 4. This is due to the fact that generativity primarily depends on a person's personality for Alpha Corp., however, the company also organizes internal initiatives or trainings to foster this characteristic. Beta Corp. assesses generativity during the hiring process and

fosters it through frequent learning events. Rebtel assesses this characteristic during the hiring process as well, moreover, the characteristic is closely related to learning, which is a general focus of the company. Lastly, Epsilon Corp. promotes generativity through letting the employees participate in seminars and workshops and through giving them the opportunity to work on projects that expand their horizon and their knowledge base.

Gamma Corp. only promotes generativity with semi-formalized HRM activities, therefore, it is deemed a 3. The employee's passion about continuous learning is assessed during the hiring process, however, after a person is hired there is not much support to make the employees learn and educate themselves.

All companies are aware that generativity is important, furthermore, this characteristic is closely linked to continuous learning and personal growth. In sum, all companies provide training to their employees that is feasible with the company's resources. Comprehensive training possibilities cannot be expected from SME e-businesses due to the companies' resource constraints, yet, we argue that a company culture with a strong emphasis on learning attracts people willing to learn and fosters this characteristic among the staff.

The analysis of the case companies' HRM activities towards the characteristics that previous research identifies as beneficial for business agility generally reveales that SME e-businesses dispose of well-anchored practices. Even though this type of company is small and has to face more resource constraints than larger businesses, it mostly makes an effort towards business agility. A condensed summary and the answer to the research questions, presented in chapter 1.3, will be given in the conclusion.

7 Conclusion

This final chapter enfolds our thesis by delivering the findings drawn in our studies. First, our research questions are addressed directly. Second, we take a look at, deconstruct and explain the managerial implications for practitioners that want to benefit from our findings. Then, we address the theoretical implications, and move on to the limitations of our study. Lastly, we propose specific recommendations for how our study can be utilized to be built upon and researched further.

7.1 Purpose and Research Questions

The main purpose of our studies was fulfilled, as we were able to analyze, explain and investigate to what extent HRM practices in SME e-businesses enable business agility and how the HRM in SME e-businesses is generally structured.

The main purpose of our study was to be able to provide SME e-business owners and managers with support to be able to compete with larger national and international competitors, as well as creating an academic ground for students and researchers regarding business agility and SME e-businesses. The cross-case analysis (chapter 6) gives a clear picture and details regarding how structured HRM is in the case companies. Moreover, the following research question is addressed and summarizes our findings:

How is the HRM in SME e-businesses generally structured?

Our findings show that most of the HRM in SME e-businesses is either semi-structured or well-structured, it is only one company that was found to be quite unstructured. Moreover, we also noticed a trend that displays that the size of staff has a direct correlation with how structured the HRM is. Two companies are well-structured: Beta Corp. (200 employees) and Delta Corp. (150 employees), four are semi-structured: Alpha Corp. (23 employees), Epsilon Corp. (20 employees), Gamma Corp. (30 employees), Rebtel (80 employees) and, lastly, one company is quite unstructured: Easyfy/Litenleker (6 employees). In sum, the common thought of SMEs being unstructured is challenged with our findings, as most of our case studies are semi-structured or well-structured, and only one is unstructured. This contradictory finding may find its cause in the nature of e-businesses utilizing technology for its own benefit and efficiency.

Furthermore, we developed the following research question based on the gap in research which was revealed through the problem discussion:

To what extent do HRM activities in SME e-businesses enable business agility?

Our studies find that common purpose, commensurate returns, continuous learning, collaboration and generativity are the business agility characteristics that are fostered by HRM activities the most in the SME e-businesses. The great majority of these activities are applied formally or they are applied and also well-integrated into the companies' routines. For the remainder of companies studied, these characteristics are applied only semi-formally. Lastly, there was one exception in regards to commensurate returns, as this characteristic is not fostered in one company by any means. We argue that the mentioned characteristics are the leading characteristics found to enable business agility as these characteristics are measurable and can be easily communicated, explained and promoted among HR; moreover, these characteristics can be fostered within the organization with relatively little resources being necessary.

Contextual clarity, flexible organizational structures, autonomy and accountability, and personal growth are the business agility characteristics that are fostered by HRM activities moderately, as these characteristics are mainly cultivated through semi-formal or formal HRM activities. We argue that, although few exceptions exist, these characteristics are recognized to be important by most companies, yet they are hard to teach and measure, or they require valuable resources such as time and money. Our studies confirm that proactivity and adaptability are the business agility characteristics that are fostered by HRM activities the least, as these characteristics are cultivated either semi-formally or not at all in the case companies. Interestingly, three companies foster adaptability formally, though they are considered to be the exception as they together represent the minority. We argue that fostering these two characteristics is quite important as the workforce, especially in smaller businesses, has a rather large impact towards business agility, yet HR managers have a hard time creating expectations and holding employees accountable to them. Most interviewees mentioned that these characteristics are observed while interviewing, yet it is widely known that every interviewee is at their best behavior while interviewing, thus

formal structures must be created to enhance these characteristics post the hiring process.

In sum, the extent in which HRM activities in SME e-businesses enable business agility is found to be sizeable and significant as these activities are applied in most cases, which is surprising due to the small company size and their resource constraints. Thus, it is concluded that HRM activities are an important factor towards the achievement of business agility and these activities should be valued, developed and integrated into the company's ongoing routines and the culture.

7.2 Managerial Implications

The relevance of the research topic for practitioners was shown throughout this study. The study includes, above all, useful findings for the HR managers of SME e-businesses as this is the focus of the research, however, HR managers of other types of companies can also benefit from the insights found.

The implications of this study for management are as follows:

Our findings show that also smaller companies can foster business agility characteristics fairly well. Therefore, managers should use at least small initiatives to foster the characteristics that enable business agility. For example, in-house seminars, where employees share their knowledge by training each other, help to foster continuous learning. Also, a transparent communication about the company's situation and the external environment enables the employees to better understand the challenges that the company faces and to anticipate appropriate reactions.

HRM practices towards business agility do not only promote business agility, but directly account for the company's success and should therefore be prioritized by managers. For example, collaboration enables a company to respond to a complex and rapidly changing environment, but collaboration also contributes to the achievement of a company's goals. Therefore, relationships among employees should be strengthened through team events in order to create synergies among the HR and to be able to develop holistic approaches to external challenges.

Surprisingly, commensurate returns is the characteristics that was found to be the characteristic that was promoted very well in many SME e-businesses through integrated HRM activities. Several SME e-businesses strengthen this characteristic through non-monetary returns to compensate the rather low financial returns. Therefore, also managers of companies with limited resources should provide for

commensurate returns by means of motivational returns, such as team events or a high level of influence on the company's projects.

Even though it is difficult to influence the personality of the workforce, managers should strive to strengthen characteristics such as proactivity and adaptability, for example through workshops to make people embrace changes. Managers should communicate their expectations with regards to the mentioned characteristics clearly and should create a culture that promotes these agility characteristics. A first step is that the management should act as a role model for all other employees and exemplify proactivity and adaptability.

Some HRM activities are not implemented or well-formalized due to a lack of time of the SME e-businesses and a focus on other more urgent matters. However, SME e-businesses should take the time to develop formalized HRM practices, because the investment will pay off and will strengthen the company's position in the external environment in the long run, especially when the company grows rapidly, which is the case for most SME e-businesses.

7.3 Theoretical Implications

While conducting our studies we came to the realization that existing theory is aligned well with our studies as most HRM activities towards business agility are found to be applied in the companies we studied. Moreover, no major disagreements were found.

Most interviewees do recognize the need for business agility and how it can benefit their performance, yet they have different names or labels for it, such as being responsive, flexible or dynamic, among others.

Our findings support the statements of Mathiassen and Pries-Heje (2006) who mention that HRM can have a direct impact on business agility as an organizational characteristic by itself, given that most of the studied characteristics pertaining to HRM are present in the studied companies.

Our studies find that HRM in SME e-businesses is for the most part formalized or semi-formalized, thus our findings challenge the results of Brand and Bax (2002) who state that HRM in small companies is mostly displayed in a rather informal manner. Our results are also in line with Dietz, et al. (2006) who explain that e-businesses, even if very small, have a more formalized and professional HRM in place, than do regular SMEs.

Also, the less structured companies we interviewed mention that their HRM focuses on what is basic and expected, yet they disregard developing a structured HRM, this phenomena in on par with Harney and Dundon (2006) who highlight that HRM in SMEs rather focuses on measures for survivability and adaptability instead of developing a formal HR strategy.

It is implied that the full adoption of all HRM activities towards business agility as well as having a more structured HRM is attainable and will enhance business agility considerably.

7.4 Limitations

Our study is limited to the Western European context; other results may be produced if the same study is conducted in Asian or African markets given the nature of their HRM and organizational behavior practices. The quantity of case studies is limited to seven companies as we were bound to a timeframe for the development of this study, although seven companies is a good quantity for a qualitative study, a larger number would add validity to the findings. Moreover, our studies are limited as we only interviewed the person that is responsible for HRM, we believe that if regular employees were interviewed, the answers may confirm some results and perhaps challenge what we gathered from the HRM manager.

7.5 Suggestions for Further Research

This study revealed that HRM activities in SME e-businesses generally sustain characteristics that enable business agility. However, research should further analyze the impact of different HRM activities on the level of business agility; this means, to what extent do informal or semi-formalized HRM practices improve the level of business agility of an SME e-businesses and to what extent can the level be increased through formalized HRM activities? Also, the study should be repeated based on several interviews within one company to analyze whether the employees have a different point of view than the HR manager.

Further studies should also clarify how and to what extent other factors, such as the use of information- and communication technologies (ICT), which are especially important in SME e-businesses given their technological surrounding, the financial resources or the style of leadership, enable business agility in SME e-businesses.

With regards to the general HRM structures of SME e-businesses, further research should focus on analyzing whether the overall level of structuring of the HRM can be

explained through other factors than the staff size, for example, through the use of technology.

Lastly, further in depth studies are needed on the general organizational structures of SME e-businesses, as this study revealed that the general HRM structures of SME e-businesses are a hybrid of SME structures and structures from large e-businesses. Nevertheless, more detailed research is needed on other parts of the organization of SME e-businesses; for example, the development department, given that the developers are a crucial HR in e-businesses.

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Appendices
Appendix A Interview Guide

OPENING QUESTIONS

1. Ask for name, position, time in the company etc.
2. Recap of the company's mission

GENERAL HRM STRUCTURE

A1: How many people work in your HR department? What are their positions?

A2: Is the HRM manager part of the organization's upper management team?

- If no: please specify where the HRM is located in the organizational structure

A3: How formalized are your HRM systems and routines?

B9: What types of employment do you mostly have within your organization?

- Why ?

A4: Do you employ any freelancers/consultants?

- If so: for what reasons?

ACQUIRING PERSONNEL PROCESS

A5: What does acquiring personnel look like from the moment you advertise a position?

A6: Which is your prefered method to acquire personnel, recruiting, hiring, promoting?

- Please specify why this is your preferred method

B10: How far in advance do you plan on hiring a new employee?

- Why do chose that time frame?

A8: What reasons make you decide to hire a new employee?

A7: What do your interviews look like?

- What tests do you give the candidate?

C1: Is proactivity a characteristic that you actively look for in your employees?

      a. How do you define a proactive person?

MOTIVATION

B7: How do you motivate your employees?

B8: Are there any incentive and reward systems in place?

- What is the purpose of it?
- What does it look like?

B21: Do you offer your employees with job enrichment?

- If so: please specify
- If not, why?

KNOWLEDGE AND LEARNING

B15: Do you foster a learning environment in the organization?

- How do you do that?
- If not, why?

B19: Do you make sure that your employees are passionate about continuous learning?

- Please specify how
- If not, why?

B16: Is there anything in place to ensure that employees actively share their knowledge with each other?

- If yes: please specify
- If not, why?

B17: Do you have any system in place to make all knowledge available to all members of the organization?

- If yes: please specify

B18: Do you have any procedures to collect feedback and suggestions from the members of your organization?

- Why? / Why not?

B24: Do you promote communication and collaboration between your employees and between departments?

- If so: how?
- If not, why?

B25: Do you do any team building activities?

- If yes, which ones?
- If not, why?

B11: How do you make sure that newly created teams can become able to work as team immediately?

DEVELOPMENT AND RETAINING

B22: Do you have any career planning and development activities for your employees?

- Do you offer your employees seminars, coaching or something similar?
- If not, why?

B12: What do you do when you have an employee with skills that you do no longer need?

- Why?

B6: What do you do to retain your employees?

A9: What does your employee turnover look like?

A10: What is the main cause for the employee turnover?

CHANGE

B13: Do you have job rotation systems in place?

- If not, why?

B14: Do you shift employees from one department to another when needed?

C2: How do you ensure that all employees are willing to embrace changes?

- If you do not, why?

B1: Are there any procedures to make sure that your employees are aware of the environment that the company operates in?

- If not, why?

ORGANIZATIONAL CULTURE, GOALS AND VISION

B3: What does the culture of your organization look like?

B2: What are your core values?

- How do you make sure that these core values are adopted by all the employees?

B4: Does your company have a vision?

- Are there any practices to make sure that all your employees understand and work towards the company's goals and vision?
- If so, which ones?
- If not, what prevents you from it?

B23: Are there any practices to make sure that the employees support each other in daily activities to achieve the company's goals?

- If yes, please specify
- If not, what prevents you from it?

B5: Do you have any activities to make the employees realize how they can individually contribute towards the organization's overall performance?

- Which ones?

C3: Do you believe that your employees are aware that they can contribute to the organization's success as e.g. team leader, team member, individual?

- If so: what makes you believe that they are aware of that?

B20: Do you hold your employees accountable for the company's success?

- If so: how?
- If not, what prevents you from it?

CLOSING QUESTIONS

1. What should we have asked you that we did not ask?
2. What do you believe is the most important HRM activity for your organization?
3. What do you believe is an HRM activity that your organization lacks but you believe to be immediately needed?

Appendix B Priorities of Interview Questions

Priority 1 (most important, need to be asked in any case)	A2-3, A5, A10, B1-4, B7-14, B16, B18-20, B22-25, C1-2
Priority 2 (important, need to be asked first after priority 1 questions)	A8, B21, C3
Priority 3 (less important, can be asked if time allows)	A1, A4, A6-7, A9, B5-6, B15, B17

Appendix C Summary of the Empirical Findings

	Alpha Corp.	Beta Corp.	Delta Corp.	Easyfy/Litenleker	Epsilon Corp.	Gamma Corp.	Rebtel
General HRM characteristics	a) Semi-formalized structures b) Adjustable to individual cases	a) Formalized b) Set structures, processes and routines	a) Rather formalized b) Structures, routines and tools in place	a) Not formalized b) Decisions are taken case by case	a) Semi-formalized b) Flexible processes and routines	a) Fairly formalized b) Scalable for the current staff size	a) Fairly formalized b) Structures, routines and tools in place
Contextual clarity	a) Mainly through communication	a) Communication through meetings	a) Onboarding process b) Monthly meetings	a) Communication b) More structured system is planned	a) Communication through meetings	a) Communication through meetings	a) Meetings and seminars
Common purpose	a) Meetings to discuss vision and values	a) Core values b) OKR system c) Communication through meetings	a) Communication of core values b) Monthly meetings on the vision	a) Number-based company culture b) Communication c) Rewards	a) Communication of core values in onboarding process b) Rebranding to clarify the vision	a) Not actively fostered	a) Cultural fit b) Communication through meetings and seminars c) Bonus system
Commensurate returns	a) Consistent bonus system planned b) Responsibility and influence	a) Open culture b) Learning events c) Virtual share program d) Pension scheme	a) Motivation events b) Traditional reward system	a) Bonus system b) Team events	a) Impact and personal growth b) Reward system c) Stock option program	a) Growing responsibility b) Reward system planned	a) Company culture and benefits at work b) Salary, stock option program, pension solution, health package
Flexible organizational	a) Flexible and informal	a) Formal and rather inflexible	a) Somewhat formalized	a) Quite flexible and informal	a) Flexible and formal	a) Flexible and informal	a) Formal and rather inflexible
Continuous learning	a) Part of the culture b) Learning initiatives	a) Based on personality b) Learning events c) Knowledge sharing d) Employee survey	a) Learning initiatives b) Feedback talks c) Employee survey	a) Learning initiatives for developers b) Meetings to reviews of each other's work c) Tracking system for employee's ideas	a) Assessed in the hiring process b) Feedback meetings	a) Based on personality b) Feedback c) Learning events	a) Assessed in hiring process b) Learning events c) Conducive working environment d) Employee survey

	Alpha Corp.	Beta Corp.	Delta Corp.	Easyfy/Litenleker	Epsilon Corp.	Gamma Corp.	Rebtel
Autonomy and accountability	a) Communication b) System for project management is being developed	a) OKR system b) Virtual share program	a) Based on results b) Discussed in feedback meetings	a) No formal mechanisms b) Communication	a) Clearly set goals that the employees are held accountable for	a) Based on numbers b) Review and communication in meetings	a) Indirectly fostered through stock option program and individual goals
Personal growth	a) Responsibility b) Selective initiatives	a) Culture that fosters ownership	a) Buddy program b) Learning initiatives	a) Individual goals linked to bonus system	a) Jobs that allow for growth b) Career development and training plans	a) Development plans	a) Performance reviews b) Regular meetings with manager
Collaboration	a) Communication b) Team building events	a) Organizational structure fosters collaboration b) Team events	a) Team building initiatives	a) Meeting structure b) Rotating leader who assesses support needs c) Team events	a) 'Holocracy' approach in organizational structures b) Open culture c) Team events	a) Culture-based b) Team events	a) Open-space office b) Common goals c) 'Sponsorship' for common activities
Proactivity	a) Assessed in hiring process	a) Assessed in hiring process	a) Assessed in hiring process b) Open	a) Not actively fostered	a) Assessed in hiring process	a) Assessed in hiring process	a) Assessed in hiring process
Adaptability	a) Not actively fostered	a) Assessed in hiring process	a) Assessed in hiring process	a) Communication	a) Changes are explained to the employees	a) Not actively fostered	a)Change frequently to accustom employees to change
Generativity	a) Culture-based b) Seminars	a) Assessed in hiring process b) Learning events	a) Culture-based b) Learning initiatives	a) Learning initiatives for developers	a) Assessed in the hiring process	a) Assessed in hiring process	a) Assessed in hiring process