Collective employee narratives and responses to subtractive change

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Abstract

This thesis explores collective employee narratives and responses to subtractive change. Much of the existing strategic change literature takes a management perspective on change and portrays employees as either passive recipients of change or inherently resistant; conversely, this thesis takes the employee perspective and examines their responses at the collective level. Subtractive change refers to removing functions, units, or activities from the organization, which can lead to a sense of loss both at the organizational and the individual level, making it particularly challenging for involved employees. This thesis consists of three empirical papers aiming to answer the overarching research questions: *how do employees collectively respond to subtractive change* and *how can organizations develop capacity for change among employees*? Findings suggest that even in situations of subtractive change, collective employee change narratives and responses can contribute to a constructive and successful change, securing implementation while maintaining employee well-being. The collective employee narratives and responses are characterized by being multidimensional and shaped by managerial and organizational support. Organizations can facilitate building capacity for change among employees by, for instance, creating a receptive context for change. This thesis makes key theoretical and practical contributions by showing and explaining the influential role of employees in subtractive change processes.

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Working on this PhD thesis has been a joyful journey. An eventful rollercoaster with many highs, and some lows and tumbles. During my time as a research scholar, my default answer to *what do you do* have been *I am writing a PhD*. It is dawning on me that the default answer is about to change, which has triggered some thoughts on what has "really" been going.

Writing has not been my main activity during the PhD. The product is, yes, a thesis full of carefully selected words. Nevertheless, rewriting, editing, thinking, procrastinating, drawing, reflecting, and a little crying, are all words that supplement writing when describing a regular (irregular) day at the office. Next, *a PhD* is not a singular product or task, even if I have merged the elements into a single pdf. Friends and family have on occasion received crass answers when attempting to find out how my "assignment" is progressing (sorry about that). To me, the PhD is about navigating the academic jungle, giving talks and seminars, going to conferences, attending courses, teaching, talking to a lot of interesting people, and being a member of an organization, a work environment, and a research group and community. A PhD is about learning to be a colleague, a discussion partner, a listener, and a friend. Lastly, there is a misconception conveyed when I only use the word *I*. Yes, my name is on the cover, and it is my responsibility—*and honor*—to present and defend the thesis. However, as I will argue in a different context later, my efforts as an individual have been shaped, and influenced by being part of a *collective*. I usually pride myself on being independent, and able to manage (mostly) on my own; however, those traits have given me some challenges, by perhaps making it more difficult to solicit support when feeling overwhelmed. I am thankful for the ability to be an academic and for spending my days reading, learning, and talking about the value of employees during change, and I am equally grateful for my social support system who have been increasingly important. Through offering guidance and advice, Pepsi Max, and pep talks, my collective has cheered me on toward the finish line, and I would like to give my thanks to my key supporters.

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Julie Salthella Ågnes
April 29th, 2022

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Developing organizational change capacity: Accessing the HR toolbox

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Introduction

Organizations frequently initiate and attempt to implement strategic change. A recurring theoretical and practice-oriented interest is how organizations can successfully handle their frequent change efforts. Traditionally, research has characterized change as a challenging organizational and managerial task and suggested that most change initiatives fail (Beer & Nohria, 2000; Kotter, 1995; Stouten, Rousseau, & De Cremer, 2018). While there exists a vast body of literature on planned strategic change addressing its complexities and challenges, the primary emphasis has been on managers as key change agents who provide the direction and move the organization toward the desired outcome (Kotter, 1995; Müller & Kunisch, 2018). Conversely, employees are often characterized as change recipients with limited influence on planned change decisions and limited agency during implementation (Balogun & Johnson, 2005; Müller & Kunisch, 2018). However, employees are positioned "*at the heart of events*" during change (Oreg, Vakola, & Armenakis, 2011, p. 462), and their responses to initiated change may be key when attempting to understand implementation processes, meriting the need for increased research on the employee role during change.

Change literature recently started to highlight the role employees as change recipients can have during change (e.g., Balogun, Bartunek, & Do, 2015; Bartunek, Rousseau, Rudolph, & DePalma, 2006; Sonenshein, 2010). It has been suggested that employees are *not* passive change recipients or inherently resistant to change (Ford, Ford, & D'Amelio, 2008), and may have responses that shift over time (Elrod & Tippett, 2002). At an individual level, conceptual research has suggested that employee responses are multidimensional along three dimensions: cognitive, behavioral, and affective (Piderit, 2000), and responses can be expressed through narratives (Sonenshein, 2010). However, implementing change does not only hinge on individual responses, but also the collective efforts of groups such as employees (Müller &

Kunisch, 2018). For instance, employees' understanding of change can be shaped through a social process of sensemaking (Maitlis, 2005), and feelings about change can be "contagious" among a group of colleagues (Bartunek et al., 2006). Still, how responses are shaped and developed at a collective level and their influence on change outcomes remains largely understudied and fragmented as a topic of research (Bouckenooghe, Schwarz, Hastings, & De Pereny, 2019; Rafferty, Schwarz, Bouckenooghe, & Sanders, 2020; Schwarz & Bouckenooghe, 2018).

Employee responses may depend on the specific type of change. Subtractive change is a particular type of change where something is deliberately removed or discontinued (Albert, 1992), such as organizational units, subsidiaries, specific work processes, activities, and practices (Corley & Gioia, 2004; Rousseau, 2021; Wiedner & Mantere, 2018). Change research has tended to focus on additive change, such as mergers, acquisitions, implementation of new work practices, etc. Subtractive change has received less attention in change research, perhaps as a result of being overlooked as people tend to prefer *adding* instead of subtracting (G. S. Adams, Converse, Hales, & Klotz, 2021; Rousseau, 2021). Notwithstanding, subtractive change is expected to be more difficult to plan and implement (Corley & Gioia, 2004; Hakak, 2015), and for employees this type of change can be particularly challenging to engage in as it may threaten their tasks and positions in the organization.

This thesis addresses two research questions. The first research question addresses collective responses to change by asking *how do employees collectively respond to subtractive change*? The second research question addresses the role of employees in change over a longer time frame, through considering their capacity for change, by asking *how can organizations develop capacity for change among employees*?

I conducted three field studies within the Norwegian financial industry to pursue these research questions. The studies have resulted in three research papers which are part of this doctoral thesis, with two papers focusing on one case company and one paper focusing on three case companies. Each of the papers addresses specific research questions contributing to the discussion of the overall research questions addressed in this introductory chapter of the thesis. In recent decades, the Norwegian financial industry has dealt with technological development, new regulatory demands, and changing customer behavior (Gujral, Malik, & Taraporevala, 2019). The case organizations found themselves dealing with the tension of exploring new opportunities and staying competitive while also "exploiting" traditional task production (O'Reilly & Tushman, 2004). Subtractive changes included robotization, offshoring, outsourcing, and discontinuation of activities and services. As such, the industry made for an interesting setting to explore collective employee responses to subtractive change, as the loss of tasks or work processes occurs in a fast-paced change context. With a fast pace of change, organizations are also likely concerned about building or maintaining a capacity for change—that is, the ability to implement change while maintaining daily operations and not harming subsequent change initiatives (Heckmann, Steger, & Dowling, 2016; Meyer & Stensaker, 2006).

My findings reveal that employees take on agency during change even to support initiatives in which they stand to lose. Collectively, employees actively narrate and respond to subtractive change in a constructive manner. The collective employee narratives are shaped not only by employee interaction but also through support from managerial and organizational actors. Through their constructive and future-oriented narratives, employees contribute to the successful implementation of change while also maintaining well-being and developing

capacity for change. The findings also show how organizations may create a receptive context for change, which further contributes to developing capacity for change.

Based on the presented findings, I offer four theoretical contributions and two practical implications. First, the thesis contributes to the change literature by expanding the understanding of subtractive change with empirical examples of subtractive change handled constructively by employees (Corley & Gioia, 2004; Rousseau, 2021; Wiedner & Mantere, 2018). Second, the thesis adds to literature on employee responses to change by demonstrating how employees take an active role in change and empirically showing that responses can be multidimensional at a collective level (Bartunek et al., 2006; Piderit, 2000). The third theoretical contribution is an expansion of relevant outcomes of planned strategic change, highlighting how outcomes of change are not limited to reaching business objectives, but also include employee-level outcomes and implications for change capacity (Golden-Biddle & Mao, 2012). The fourth, and last theoretical contribution, is to extend literature on organizational change capacity by exploring change capacity with employees as a focal point (Heckmann et al., 2016; Stensaker & Meyer, 2012). The two highlighted practical implications offer advice to organizations, managers, and employees attempting to implement subtractive change and build change capacity through, for instance, facilitating the emergence of constructive narratives during change.

The structure of the introductory chapter is as follows: in the next section, I review relevant literature on planned strategic change with an emphasis on subtractive change, employee responses, and narratives. Following this, I elaborate on the research context and methodological approach that underlies the research in the thesis and the three field studies. I briefly introduce the three thesis papers before presenting an overarching model derived from

key insights from all three papers. The model is used to present and discuss overall findings. I also present the boundary conditions of the model. Lastly, I offer theoretical contributions and practical implications from the thesis.

Theoretical background

In this literature review, I show that prior research on planned strategic change has yet to sufficiently explore subtractive types of change. I also show that change research has prioritized the managerial perspective, without paying much attention to the employee perspective. Managers are portrayed as the key change agents, thus leaving out the important role of employees. To establish the theoretical background for this claim, I first introduce literature on planned strategic change, since subtractive change typically requires a deliberate decision and intention. Next, I set out the literature on employee responses to change and narratives as an approach to understanding collective change responses. Finally, I discuss how typical outcome variables such as successful implementation of intentions and goals need to be supplemented with additional outcomes, such as employee well-being and change capacity.

Planned strategic change

Organizations initiate planned change after identifying an opportunity or a threat, or they have a desire to achieve new objectives or occupy new strategic positions (Gioia, Thomas, Clark, & Chittipeddi, 1994; Müller & Kunisch, 2018; Stouten et al., 2018). As key decision makers in the organizations, top management is usually responsible for evaluating the competitive environment and internal context to develop strategies and initiate change efforts (Porter, 1979; Prahalad & Hamel, 1990). Planned change initiatives therefore happen when leaders or decision makers in an organization have "*examined their strategic position and deliberately formulated a new strategy which requires the organization, and the people within it, to operate differently in some way*" (Balogun & Hope-Hailey, 2008, p. 6).

Change that represents a comprehensive shift in a company's strategy has been called strategic (or radical), while smaller adjustments to the operations of a company can be labelled as

incremental (Sastry, 1997; Tushman & Romanelli, 1985). Incremental change can, for instance, involve improving the work environment by moving managers or employees around or planning to relocate the office space. While incremental change can occur continuously, strategic change tends to occur episodically, yet at an increasingly frequent rate (Kanitz, Huy, Backmann, & Hoegl, 2022; Kotter & Schlesinger, 2008). Strategic change can involve restructuring the organization to introduce new work processes (Huy, Corley, & Kraatz, 2014), shifting from regional-based to product-based organization (Balogun et al., 2015), or exploring new business models that replace current operations (Sonenshein, 2010).

It should, however, be noted that not all change in an organization is planned, deliberate, or strategic. Change in an organization can arise from emergent initiatives or even be accidental (Plowman et al., 2007). All changes—whether planned or emergent—possess emergent features (Mintzberg & Waters, 1985). This thesis focuses specifically on changes that have been deliberately planned by top management and therefore are, at least from the outset, planned.

Subtractive change

Within the change literature, it is possible to distinguish between different types of change such as additive and subtractive change. Additive change, which includes mergers and acquisitions and innovation practices, is typically about achieving growth or striving for an outcome where change *adds* something to or develop the organization (Albert, 1992). Conversely, subtractive change is when change is initiated with the goal of removing aspects from the organization (Albert, 1992; Corley & Gioia, 2004; Rousseau, 2021). This may include spinning out or divesting organizational units, as well as discontinuing business units and task production, removing responsibilities, or introducing new technology that alters (employee) work processes (Corley & Gioia, 2004; Wiedner & Mantere, 2018). Change that involves some sort of

organizational loss is suggested to be a greater challenge to plan and implement and can create ambiguity in the identities of affected employees (Corley & Gioia, 2004; Hakak, 2015). Research suggests that subtractive problems are usually overlooked, and experience with subtractive change is perhaps less common as *adding* is preferred over *subtracting* (G. S. Adams et al., 2021; Rousseau, 2021).

Implementation of subtractive change may be particularly challenging for employees who stand to lose something when their organizational units or tasks are discontinued. Studies on downsizing and lay-off processes have, for instance, suggested that employees go through stages of grief regardless of whether they are let go or not (Kets de Vries & Balazs, 1997; Mishra & Spreitzer, 1998). Employees may feel that they are victims or survivors of change and develop "survivor's guilt" if they remain with the organization (Chreim, 2006; Kets de Vries & Balazs, 1997). Corley & Gioia (2004) studied subtractive change in the form of a spin-off and found that the spin-off struggled to develop a new identity after being separated from the parent firm. However, Mantere and Wiedner (2018) demonstrate that subtractive change can be equally challenging for the company that divests part of their organization. They found that employees in the parent company struggled more with the change in roles and responsibilities than employees in the divested unit (Wiedner & Mantere, 2018). These examples highlight how subtractive change can involve challenges for both employees who stand to lose and the surrounding organization, which shape the subsequent change process and outcomes.

When reflecting on subtractive change as a concept, Rousseau describes subtractive change as virtuous or exploitive: "*Virtuous subtraction involves reflection, mindful attention to opportunities for gains in efficiency by removing activities and goals. Exploitive subtraction*

takes things away by shifting burdens without creating new value" (Rousseau, 2021, p. 431). Therefore, subtractive change may be not merely about loss but also a way to "declutter" organizations and offer relief for many organizational members (Rousseau, 2021). Existing research thus recognizes that subtractive change can be either challenging or welcoming for affected employees yet does not specify the processes through which this happens. Furthermore, the research lacks lack insight into the conditions needed to successfully implement change with subtractive elements.

Subtractive change may be implemented simultaneously as other change is implemented in different parts of the organization. Contemporary organizations experience a fast pace of change and often deal with multiple and overlapping change initiatives (Kanitz et al., 2022; Stensaker, Meyer, Falkenberg, & Haueng, 2002). This means that while some changes involve scaling up through growth and expansion, others may aim for the opposite—scaling down and discontinuing certain aspects. While this thesis focuses specifically on subtractive change, the organizational context with potentially multiple and parallel changes needs to be recognized, as this may impact an ongoing change initiative.

Change agents and change recipients

The planned strategic change literature distinguishes between change agents and recipients. As mentioned above, planned strategic change tends to involve decisions originating from top-level management. However, to achieve change and the desired results, people other than top management typically need to "buy into" the change and modify their thinking and behavior (Balogun & Hope-Hailey, 2008; Gioia & Chittipeddi, 1991; Stouten et al., 2018).

The people with responsibility for making change happen have been labelled as change agents (Balogun, Gleadle, Hope-Hailey, & Willmott, 2005; Caldwell, 2003). Change agency involves getting people on board and engaging them to reorient their thinking and make the required changes to reach the desired change objectives (Gioia & Chittipeddi, 1991). After all, "… *strategic change involves an attempt to change currents modes of cognition and action to enable the organization to take advantage of important opportunities or to cope with consequential environmental threats*" (Gioia & Chittipeddi, 1991, p. 433). Change agents need to create a shared vision (Kotter, 1995) and establish a shared understanding of what the change entails (Gioia & Chittipeddi, 1991). The managerial role during planned change can therefore be about giving "sense" to the change to mobilize the recipients of change.

Change recipients are organizational members who are affected by change and contribute to its implementation but have not taken part in initiating change (Bartunek et al., 2006). Change recipients have traditionally been seen as resistant actors that change agents need to "overcome" to successfully implement change (Dent & Goldberg, 1999; Ford et al., 2008). However, change recipients can be an important part of the change process: indeed, Oreg and colleagues place recipients "*at the heart of events*" (Oreg et al., 2011, p. 462). Given that the recipients' reactions to change is a potential key factor for the success of the change, exploring change recipients' responses beyond resistance (Ford et al., 2008) can increase understanding of change recipients' contributions. In the next section, I review the literature on employee responses to change.

Employee responses to change

Most of the existing research has examined individual level responses; therefore, I will begin by presenting some key insights from this stream of literature. Next, I will argue for the need

to better understand collective level responses and present narratives as an approach for capturing collective level responses.

Individual level responses to change

Expressions of how change is understood and handled have been defined as responses and reactions. The terms responses and reactions are often used interchangeably with similar definitions. Oreg and colleagues define explicit reactions as "*how change recipients feel (affect), what they think (cognition), or what they intend to do (behavior) in response to change*" (Oreg et al., 2011, p. 477). Similarly, responses to change have been described as consisting of the thoughts, feelings, and behaviors triggered by an introduced change initiative (Balogun et al., 2015; Piderit, 2000).

In much of the change literature, employees have been considered as either inherently resistant or rather passive change recipients (Dent & Goldberg, 1999; Ford et al., 2008). Hence, change agents are advised to "overcome" resistant change recipients to implement change (Isabella, 1990; Kotter & Schlesinger, 2008). Resistance may, however, have different or several sources. Resistance as a change response can emerge from perceptions of change as insufficient in some way or poorly planned and managed (Dent & Goldberg, 1999; Oreg et al., 2011; Rafferty & Griffin, 2006). Resistance can also stem from uncertainty around how manageable the change is, the presence of negative consequences such as loss or threats related to change, or distrust of the manager presenting the change. Subtractive change initiatives are particularly likely to trigger resistance; employees may become uncertain, fear unknown implications for their positions, and fail to see a place for themselves in the organization after implementation.

Within the fields of social and organizational psychology, researchers have examined the strategies employees use to cope with stress. For instance, Carver and colleagues (1989) propose that individuals respond to stressful situations by applying different coping strategies such as denial, seeking social support, turning to religion, and the use of humor (Carver, Scheier, & Weintraub, 1989). The authors reflect that it is common to address a relationship between individual characteristics and personality traits and coping style, yet they also propose that although people might have "*relatively stable preferences*" in their style of coping, there might be other important influences on coping strategies than personality differences (Carver et al., 1989, p. 280).

The view that responses to an introduced change initiative include thoughts, feelings, and behavior suggests that responses are multidimensional (Piderit, 2000). Piderit's starting point when presenting this multidimensionality is to argue that change elicits more than resistance as a response, because change responses can contain *more* elements than resistance. Conceptualizing employee responses as multidimensional provides a richer and better understanding of employee experiences during change when compared to a focus only on resistance (Piderit, 2000). Responses may be ambiguous if the dimensions pull in different directions, which is expected to be more difficult to handle (Piderit, 2000). Change can evoke both fear and excitement and may have negative implications, yet still be evaluated as suitable and effective. For instance, employees may accept and support the closing of an unprofitable business unit but still feel upset or angry about the organizational consequences of the closure and be sympathetic to those who will lose their jobs.

While it conceptually makes sense to separate responses into affective, behavioral, and cognitive dimensions, in practice these three dimensions are highly intertwined and

interdependent (Lazarus, 1999). Nevertheless, it is suggested that resistance to change, for instance, is accompanied by feelings of stress and anger, and proactivity to change is accompanied by an underlying excitement (Oreg, Bartunek, Lee, & Do, 2018, p. 69). While the multidimensional perspective on employee responses has gained conceptual traction, there are few empirical studies covering these multiple dimensions.

Responses to change also have a temporal dimension and can shift and develop over time. Textbooks often present variants of Elisabeth Kübler-Ross's five phases of grief to illustrate how individuals deal with change, moving from shock and denial to eventually acceptance and support (J. Adams, Hayes, & Hopson, 1976; Elrod & Tippett, 2002). This creates an expectation that change recipients usually meet change with "negative" responses like those shown in situations of trauma or serious illness, and it is suggested that change agents (together with time as a factor in itself) help with the transition from shock and denial to acceptance and support.

Collective level responses to change

While there exists substantial research on individual level responses, there is limited knowledge of how the collective of organizational members respond to change (Bouckenooghe et al., 2019; Schwarz & Bouckenooghe, 2018). This is unfortunate, as collective efforts are likely to be important to achieve (or hinder) change and collectives have their own distinct dynamics (Burnes, 2004; Lewin, 1947). The collective is not merely a sum of each individual (Maitlis & Christianson, 2014; Schwarz & Bouckenooghe, 2018), but implies recognizing that at the collective level individuals together contribute to shape each other's understanding, emotions, and behavior during change—both intentionally and unintentionally. In this section, I review the previous research that has explored collective responses to change.

A recent empirical study shows how employee responses and narratives are shaped by collective sensemaking (Stensaker, Balogun, & Langley, 2021). Collective narratives emerged within a setting where employees relied on each other to make sense of the situation and construct narratives that aligned with their understanding. The study shows how one employee group constructed regressive narratives leading them to resist change, while another group constructed progressive and future-oriented narratives leading them to accept change. In the empirical study, the authors show how different aspects of *place*, namely, physical features, interpersonal interactions, and symbolic value, influence the collective sensemaking as the two groups were working in vastly different physical locations with different access to other people and other information. The employee group that constructed progressive narratives were more influenced by senior management, while the employee group that constructed regressive narratives were isolated with limited access to alternative narratives.

Other studies have highlighted how collective emotions develop and diffuse during organizational change—intentionally and unintentionally. Emotional contagion is the transmission effect of emotions, and behavioral attitudes, from a person or a group to other members of a group (Barsade, 2002; Bartunek et al., 2006). Bartunek and colleagues observed employees from different work groups having shared emotions during an implementation process and suggested that although "*understandings of a change are primarily individual, affect about the change may be shared by members of a workgroup, and this affect may play its own unique role in a change initiative*" (Bartunek et al., 2006). Group-focus emotions, referring to emotions that individuals feel on behalf of a group or another group member (Huy, 2011), may lead individuals to dismiss or support a strategic initiative not based on their personal interest but on the emotions elicited by social groups.

Another study examined the emotional aspects of how a group of employees collectively responded to change (Huy et al., 2014). The authors theorize how collective-level emotional responses among middle managers develop during the change implementation process. More specifically, they observe how middle managers collectively evaluate the legitimacy of top management decisions and actions; in this case, this led middle managers to shift from supporting to resisting the change. Although the authors emphasize the interactions between the top management and the middle management, these interactions are shaped by how middle managers as a collective shift in their responses to change.

There have also been studies examining both individual and collective responses. With an experimental design, Marmenout (2011) explored employee responses to an announcement of a merger. This study demonstrates that employees informed of a merger and set to discuss it with their peers afterwards developed more negative responses after the social influence—that is to say, the collective responses differed from the individual responses after social interaction. The findings included a group discussion where participants concluded that the announcement was "*more and more depressing*"; even though the context had not changed, their perceptions were able to change and did (Marmenout, 2011, p. 800). This study explored a merger announcement, which has specific characteristics, but nevertheless highlights the effect of social interaction on employee understanding and their responses to an initiative, underscoring the relevance of understanding collective responses.

The above studies suggest that collective responses can emerge and shape the trajectory of change and its outcomes. Previous research on collective responses is limited and fragmented, yet it suggests that social interaction among individuals in organizations can lead to shared sensemaking and shared emotions around change. It is particularly the negative responses

among collectives that have been in focus, yet some studies allude to more positive collective responses, such as those based on progressive narratives. To capture the collective responses, narratives can be a useful tool. I turn to this next.

Narratives as an approach to capture collective responses

Searching for the circulating stories around change is an approach to understanding the collective responses to change. This by capturing the different thoughts, feelings, and behaviors triggered by the change initiative. Narratives serve as a tool for sensemaking and sensegiving (Vaara, Sonenshein, & Boje, 2016) and can be used by employees in attempts to mobilize, or resist, change initiatives (Vaara et al., 2016). Narratives can thus be used to shape employee understanding and to impact other people (Logemann, Piekkari, & Cornelissen, 2019).

It is through narratives that employees construct the past and the present and envision the future (Czarniawska, 2004). Narratives and stories are thematic, sequenced accounts that convey meaning between the sender and receiver (Barry & Elmes, 1997). Narratives can be fully-fledged stories or grand narratives; alternatively, they may be small stories or antenarratives that may or may not develop further (Fenton & Langley, 2011). Narratives can be used to balance a tension between novelty and familiarity when initiating change or strategy processes (Barry & Elmes, 1997; Dalpiaz & Di Stefano, 2018). Narratives can also have a performative effect, as when "… *shared, abstracted and reified, these narrative understandings may in turn contribute to construing the world they describe*" (Fenton & Langley, 2011, p. 1176).

An example of how narratives shape employee responses during change is provided in Sonenshein's 2010 article about change implementation in the retail sector. Sonenshein shows how narratives of different natures—stable, regressive, and progressive—were mobilized by

managers when portraying change and influenced employee understanding. For instance, the progressive narrative was associated with more supportive responses from employees. Conversely, regressive narratives were associated with more negative responses (Sonenshein, 2010). Stories and meanings about change guided people's behavior and were told and retold during change (Sonenshein, 2010). As such, searching for the circulating narratives or stories during change can be useful way to both understanding the expressed responses and how collective groups attempt to mobilize, resist, or support change initiatives (Vaara et al., 2016).

Change outcomes

The outcomes of planned strategic change are typically connected to the overall strategy of the organization; therefore, assessing the outcomes involves evaluating predetermined goals or organizational objectives (Rajagopalan & Spreitzer, 1997). Goals can, depending on the change initiative, involve securing the implementation of new tools, successfully transferring tasks to new units without compromising quality, and integrating a new business within stipulated time and cost frames. It often becomes key to evaluate if change has gone according to plan (or budget) so that the organization can conclude if the change has been successful and worth the investment or not (Rajagopalan & Spreitzer, 1997). However, planned change outcomes can also be evaluated along several dimensions that can be tracked over time to show how change impacts the organization more broadly. One suggestion is brought forth in a positive organizational scholarship tradition (Cameron, Dutton, & Quinn, 2003), with calls for research on how change may be organized in a more positive manner for participating employees (Golden-Biddle & Mao, 2012), indicating the need to assess employee-level outcomes in change. An empirical example of assessing change outcomes along several dimensions is presented by Stensaker and Langley (2010): substantive (goal oriented), relational (employee), and political. They track substantive change by measuring goal attainment, relational aspects

by measuring the quality of employee relations, and political dimensions by measuring the credibility of the corporate level (senior managers) (Stensaker & Langley, 2010).

In a subtractive change context, the relational outcomes are particularly important, as the change may affect employees adversely, and the success of future change initiatives hinges on the remaining employees being equipped to handle change *again*. This is also related to the notion of multiple change, where parallel and overlapping changes are occurring, and the organization needs to think long-term as a single change initiative is usually followed by or overlaps with other change (Kanitz et al., 2022; Rydland & Stensaker, 2018). Every planned change initiative is part of building up (or destroying) the capacity the organization has for change. The change capacity in an organization refers to its capacity to implement change while maintaining daily operations and not harming subsequent change (Heckmann et al., 2016; Meyer & Stensaker, 2006). Herein, implementation of a particular change initiative can build up or damage the organizational capacity for change. Successfully implementing a singular change may subsequently serve to hinder future change if, for instance, the change is forcefully implemented and generates *negative experiences* that influence expectations for new change. Existing research suggests that organizations can develop a capacity for change, yet research has until now mainly focused on capacity building at senior (Stensaker & Meyer, 2012) and middle management level (Rydland, 2018). Current research has less to add about how organizations build up a stock of change capacity among their employees.

This thesis will focus on three change outcomes: goal attainment (successful implementation), employee-level relational outcomes, and change capacity. This emphasis comes from a desire to understand the employee role in contributing to the successful implementation of planned

change, how employees are taken care of, and lastly how the outcomes of one change initiative can stand to influence subsequent or overlapping change.

Summary theory

In summary, recent studies posit that employees can express agency and assume active roles during implementation of change (Bartunek et al., 2006; Sonenshein, 2010; Sonenshein & Dholakia, 2012), yet there is currently a limited understanding of how this happens. To develop knowledge on the collective employee role during change, and the collective narratives and responses, there needs to be more research on the change experience from the employee perspective. To address this, I have in this thesis chosen a particular type of change— subtractive change—which is less studied than additive change; nonetheless, subtractive change is of high relevance as this type of change is liable to create additional challenges for employees. I also consider multiple outcomes of change, such as the impact on organizations and employee capacity for change, because organizations frequently implement change at a fast pace or even in parallel with other change, creating a need to implement change in such a way that other and subsequent change is not harmed.

Research approach

To pursue the research questions, "*how do employees collectively respond to subtractive change*?" and "*how can organizations develop capacity for change among employees*?", I conducted three empirical case studies. In this section, I present the research setting and introduce the methodological choices.

Research context: the Norwegian financial industry

The financial industry is an industry undergoing fast-paced change. Both in Norway and globally, the industry is experiencing a high degree of technological development and innovation with potential to reorganize the value chain and meet customer demands in new ways (Gujral et al., 2019). Advanced technology can improve operational efficiency by centralizing, offshoring, or outsourcing tasks and improve processing of tasks through technologies such as robotic process automation or artificial intelligence. With these technological developments, many traditional work processes and jobs are being altered or dissolved (Lacity & Willcocks, 2016). There is also a rise of new competitors from outside the traditional banking industry such as new financial technology start-ups, ecosystems, and online payment systems, triggering the need for innovation and business development. As such, the financial industry represents a suitable and interesting setting to explore implementation of planned change and how organizations attempt to build capacity for change.

Organizations operating within this context thus experience pressures to initiate change to stay competitive and to search for opportunities to develop their operations and business models. While organizations are balancing the need to exploit current operations and exploring new opportunities (O'Reilly & Tushman, 2004; Raisch, Birkinshaw, Probst, & Tushman, 2009), employees are required to handle an environment with multiple and perhaps overlapping

change. Making use of new technology may, for instance, require contributions from the employees who stand to lose tasks in the process (Ågnes, 2022; Lacity & Willcocks, 2016). As a setting to explore collective employee responses and capacity for change, the financial sector is ideal as it is necessary for the actors to engage in frequent, and perhaps even overlapping, change to stay competitive. A tension inherently exists in a change context where something is scaling down in one area at the same time as other areas are scaling up. While traditional operational employees might have to work hard to (re)organize work to become more efficient, cut costs, and make use of new technology, other employees might be able to invest heavily in time and resources (on the company's behalf) to explore new opportunities. It may be especially hard for employees to accept subtractive change designed for operational efficiency measures and cost cutting in a context where the organization is also investing resources in exploring uncertain technologies and innovation.

Collecting narratives from case studies

Exploring responses to and implementation of change through case studies is an approach that has proven fruitful to understand change dynamics and the role various actors have in shaping change (see e.g., Balogun et al., 2015; Gioia & Chittipeddi, 1991; Gioia & Thomas, 1996; Sonenshein, 2010; Stensaker & Langley, 2010). I followed two change initiatives in real time and could get close to the phenomena (offshoring and robotization) and capture the circulating narratives shaping the collective employee responses to change.

I had the access and opportunity to explore one organization in-depth (FinCo) and make this the site for two single-case studies (Papers 1 and 3) and the initial cage in a comparative case study (Paper 2). In Paper 1, I explored employee responses to offshoring with a single-case study approach. This approach was appropriate since I was given unique access to employees

30

involved in the on-going offshoring initiative. This created the possibility for an in-depth understanding of collective employee narratives and responses and revealed constructive and positive narratives. In turn, this provided an opportunity to build theory from a single case study, and compared to extant literature the case emerged as a rather unique case of offshoring (Yin, 2014).

In Paper 2, I examined employee responses to robotization in three organizations. Initially, I made use of the existing access to FinCo and explored their implementation of robotization. When reporting the findings in Paper 2, FinCo is renamed as North. I added two comparable case organizations (South and West) as they were both in an on-going process of robotizing tasks. The three organizations were drawn from the same industry and therefore were part of the same external environment and shared similarities which established a baseline for comparisons across the cases (Yin, 2014). Employees from all three case organizations exhibited similar collective responses, thus strengthening the robustness of the theoretical model presented in the study.

In Paper 3, two co-authors and I examined the HR department's role in developing organizational change capacity in FinCo. Paper 3 emerged as an interesting single-case study based on data collection and key learnings from the previous studies. This inspired additional data collection in the company, as is often common in qualitative research (Bansal, Smith, & Vaara, 2018). With a prolonged research collaboration with the company and an observation of constructive and engaged employees during change, our motivation for Paper 3 was to explore how the HR department supported the organization.

Case studies are flexible in design and allow for multiple data sources (Yin, 2014). The three studies in this thesis make use of qualitative data collected with the aim of capturing employee narratives and understanding the planned change processes. Conducting interviews is a common and useful approach to access circulating narratives (Czarniawska, 2004). However, narratives are not only visible in what people say; narratives are also expressed through artifacts and documents (Dalpiaz & Di Stefano, 2018). A case study approach is therefore useful when attempting to explore narratives, as the research design encourages the use of several data sources to understand the phenomena which can be important to access and understand the emergent and circulating narratives. Next, I will elaborate on the data collection.

Interviews

For the three empirical papers, I relied on interviews with organizational actors as the main data source. Each of the enclosed papers details the data collection process, so I will in this section provide an overview of the data collection and present the overall approach.

The use of interview data is appropriate to answer the research questions because it is a tool to understand collective employee narratives and responses; indeed interviews are considered useful for eliciting narratives (Czarniawska, 2004) and insiders' accounts of a change initiative (Gioia, Corley, & Hamilton, 2013). Change is suggested to be a multi-authored process (Buchanan & Dawson, 2007), so although the collective employee perspective is important in this thesis, I have prioritized interviewing several organizational actors to gain an in-depth understanding. Talking to different actors in the organization can contribute to a fuller picture of what is going on and can create the possibility of triangulating the information to understand the potentially different interpretations of the change process (Langley & Meziani, 2020).

The interviews were conducted in a semi-structured manner. This means that although I had prepared interview guides for the interviews, the conversations were open and flexible to ensure that the experiences of the respondents were in focus. This could, for instance, allow for flexibility in using words or terms the respondents themselves used as part of the questioning (Langley & Meziani, 2020) and the pursual of respondents' insights or stories that followed a different trajectory than the interview guide suggested (Corbin & Strauss, 2015).

Table 1 provides an overview of the respondents that were interviewed for each of the thesis papers. The table also illustrates that the interviews provide a longitudinal view on change within the financial sector, primarily within FinCo (North) as this company was part of all three studies.

Paper and case company	Respondents	Year				
		2017	2018	2019	2020	2021
Paper 1 FinCo	Employees	10				
	Senior managers^ and business unit managers	4	1			
	Middle/first-line managers ^^	5	1			
Paper 2 North (FinCo), South, and West	Employees		3	11		
	Top manager ¤ and business unit managers		1	8		
	Robotic unit employees		6	5		
Paper 3 FinCo	Background interviews with managers				5	
	Top manager and business unit manager *					5
	HR staff **					7
					Total	72
	^ One senior manager was interviewed three times ^^ One middle manager was interviewed two times					

	¤ *Top manager was interviewed three times* * *Top manager was interviewed three times, and one business unit manager was interviewed two times* ** *Two HR staff were interviewed twice*

Table 1 – Data collection

Other data collection

In addition to interviews, I have relied on internal and publicly available documentation, collaboration with the case companies, news stories, and an overall familiarity with the industry. In Table 2, I present an overview of the different data sources that have supplemented the interview data and the purpose these data have served in developing the papers and the overall thesis. I have organized documentation such as news clippings in folders connected to the three studies, as well as a folder with information about the financial industry in general. Paper 3 presents a similar table describing the different use of data for that specific paper. Presenting an overview of the different data sources and their contribution to the papers and this thesis assists to ensure trustworthiness in the qualitative research (Cloutier & Ravasi, 2021), which I will further discuss under the heading *Research quality* below.

Data sources	Contribution to the thesis
Interview data	Interview data have been the primary data source to develop empirical findings about collective employee responses to subtractive change and how organizations develop capacity for change.
Public information about the companies and the Norwegian financial sector	The case companies are public and visible companies with media presence both local and national. FinCo (North) is a large industry player with substantial public ownership. The companies are closely followed by the media and other interest groups, giving a myriad of sources to become familiar with the companies from the outside. Throughout the work on the thesis, I have familiarized myself with different sources of data to ensure an understanding of the financial industry and the competitive pressures the companies experience, as well as the outside perspective on the companies that may influence the organizational culture and identity of employees. This has equated to a case study database of +90 documents, with sources including the following:

	- Public annual reports of the case companies (from years 2017 – 2021) - Industry reports and union coverage concerning trends in the sector such as digital transformation, new technology, and requirements for new skills - Media coverage of the companies - Top management and employee participation in news, panel discussions, and podcasts (documented list of relevant podcast and on-going subscriptions to FinTech industry podcasts) - CEO blogs and opinion pieces
Continued collaboration with one of the case companies	One of the case companies has been part of a research collaboration with the research communities as NHH and SNF. Through this, I had the opportunity to participate in workshops and seminars where I engaged in informal discussions with representatives from the case company as well as other researchers familiar with the setting. This enabled me to continuously discuss and validate impressions and findings from all three empirical papers. The continued collaboration with the case company also provided the opportunity for master students to research the company. Throughout my PhD process, I worked with teams of master students together with my main advisor on various projects. These research projects provided additional publicly available information about the company, with an in-depth investigation on various organizational and strategic themes. Master students have explored related topics like innovation capacity, structural change initiatives, and middle managers' roles in change, leading to an in-depth familiarity and understanding of the setting.

Table 2 – Overview of data sources and their contribution to the thesis

Data analysis

Qualitative data analysis can be overwhelming due to the volume of information from transcribed interviews, field notes, and other data sources. In the three papers, I detail the approach of analyzing the collected data to pursue the specific research question posed and build theory from the case studies. Therefore, in this section I will describe and show the different techniques employed to make sense of the data in a systematic matter and to reduce the risk of reporting findings or conclusions not grounded in the data.

The first steps in each of the case studies have been to write up short summaries of key findings and impressions from the interviews to produce an overview of the situation. To begin the data analysis, I adopted an inductive approach by examining the raw data to openly code and search for themes and patterns (Miles & Huberman, 1994) while frequently consulting relevant literature for useful existing constructs (Gioia et al., 2013). In Paper 1, this process led to building a so-called *Gioia structure* to visualize the data and showcase the first-order codes, second-order themes, and aggregated dimensions (Gehman et al., 2018; Gioia et al., 2013). Papers 2 and 3 rely on the same analytical strategy of openly coding the data and relating different themes and categories; however, the data is visualized by using data tables and including quotes to present the empirical findings. Data tables are a tool to organize data and aid the analysis (Cloutier & Ravasi, 2021). Using the qualitative data analysis software nVivo 11 (QSR International) has contributed to maintaining an overview of data material and ensuring that each of the codes are grounded in the data in a balanced way.

In addition to structuring the analysis through presenting key findings in summaries and organizing quotes and key themes in data tables, I have utilized different visual techniques to organize, analyze, and communicate the findings throughout the analysis process (Langley & Ravasi, 2019). As Langley and Ravasi propose, visualizations do not only play a part in communicating findings and theoretical models, but can also be a tool in *generating* findings and models (2019). For Papers 1 and 2, where I am the single author, I have throughout the analysis process drawn up different visualizations of the data and potential models to use for discussion purposes and to test preliminary analyses. For Paper 3, where I have two co-authors, we visualized how we made sense of the data to create a shared understanding. The initial visualization of HR's "toolbox" was developed further in the model included in Paper 3.

Below, in Figures 1–5, I have added a selection of visualizations of findings, analyses, and theoretical models that have been useful throughout the research processes, both to explain the research setting and change process and to communicate the findings. In turn, these visualizations have served as the basis for the model presented later as the overall finding of the thesis (Figure 7) or played a part in communicating findings. The visualizations (including theoretical models) have been used in discussions in meetings with supervisors, at conferences, and in other arenas. I have included the collages in Figures 1–5 in this introductory chapter to highlight the value of visualization, as these visuals have helped me to organize and communicate preliminary findings, as also Langley and Ravasi suggests (2019). In turn, I believe it has improved the analysis and conceptualizations by contributing to an iterative process of discussing overall findings and going back to the raw data to search for supporting or conflicting evidence.
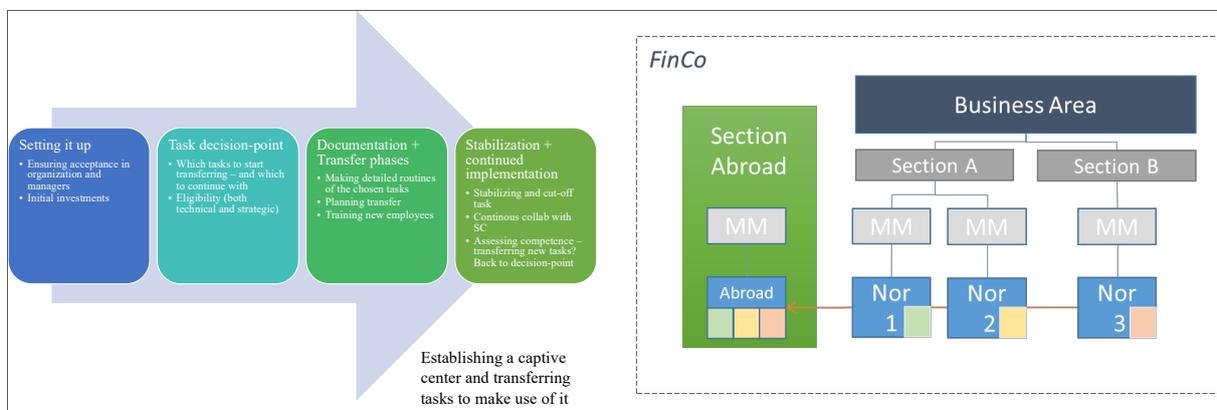
Figure 1 – Visualizations of the offshoring process and the research context used in Paper 1. Drafts used for analysis and for practitioner-oriented dissemination: Ågnes (2019)
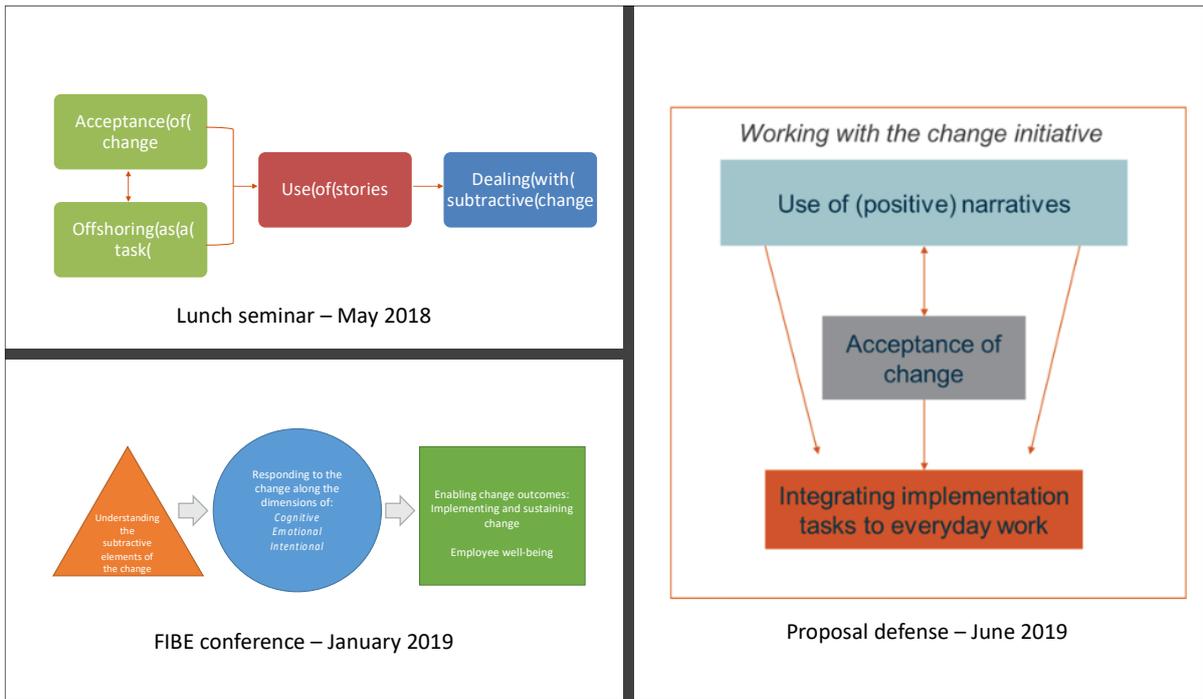
Figure 2 – Variations of visualizing findings and emergent models from drafts of Paper 1
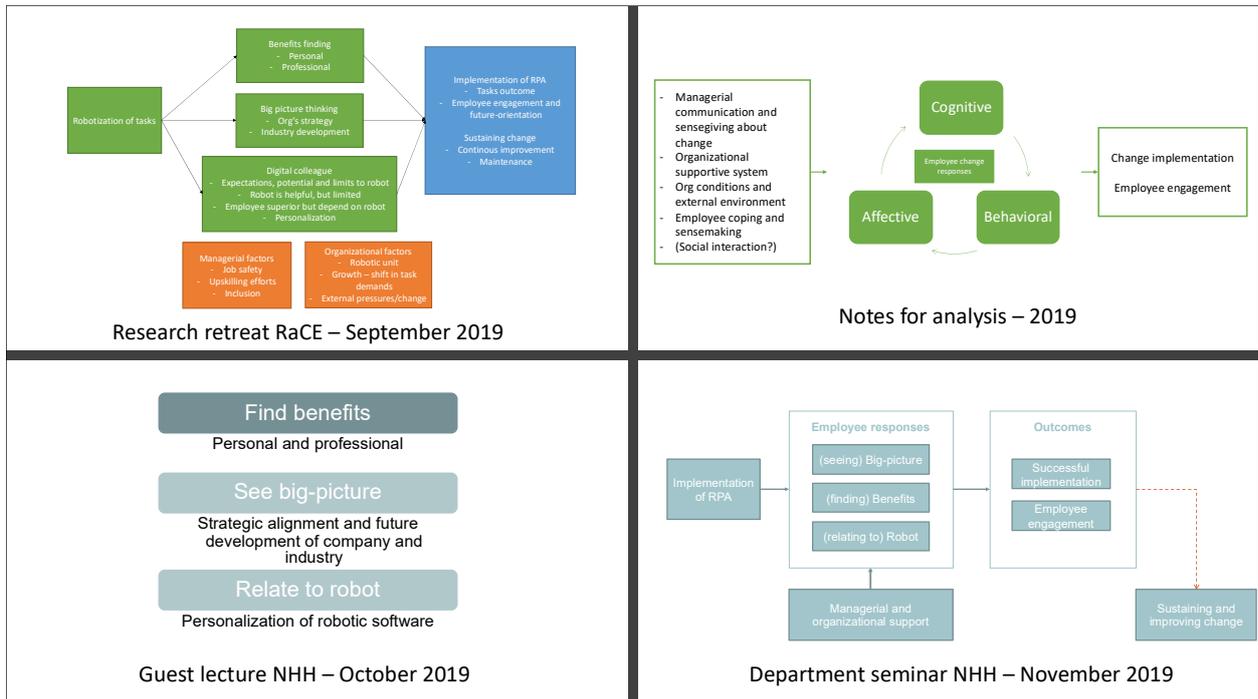
Figure 3 – Variations of visualizing findings and emergent models from drafts of Paper 2
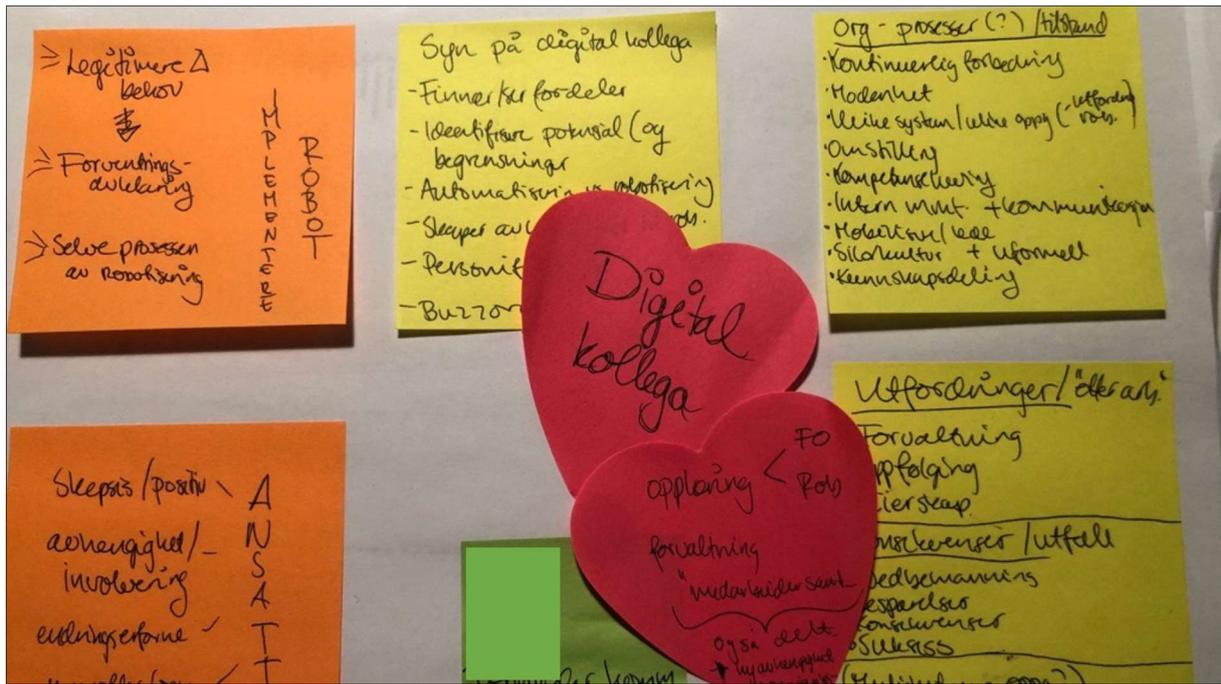
Figure 4 – Use of notes to visualize themes and findings in early analysis of Paper 2
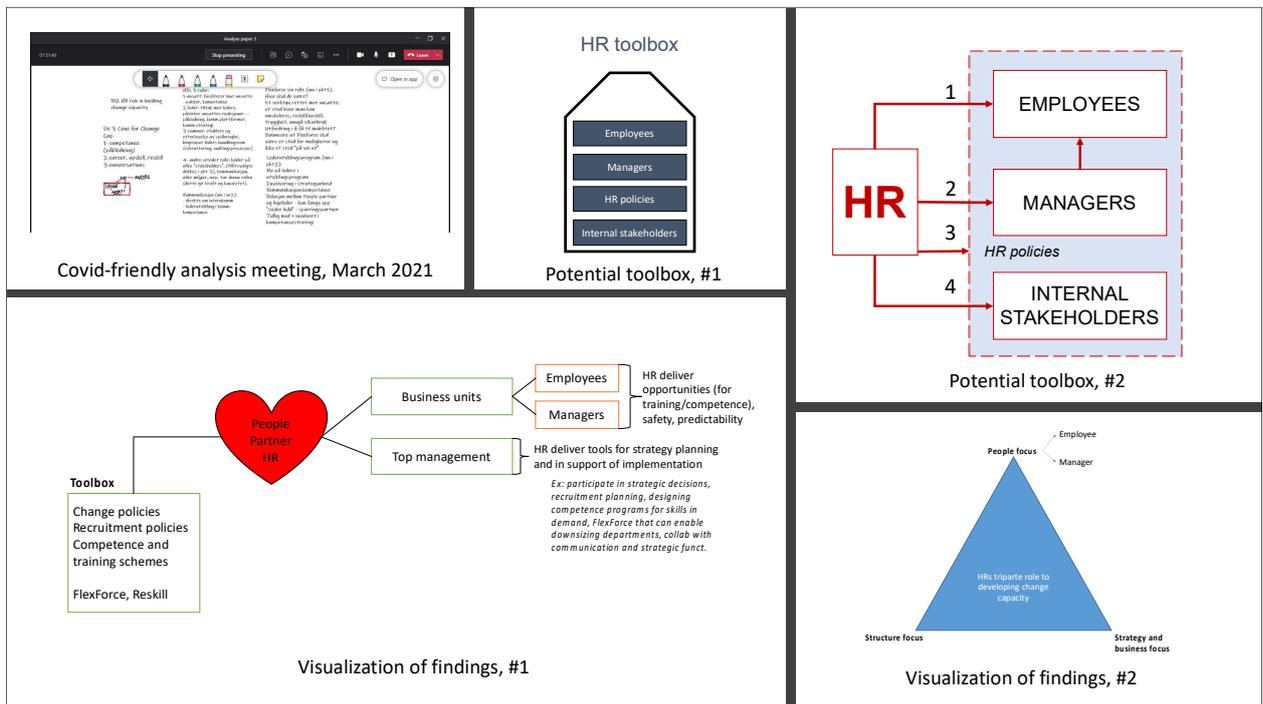
Figure 5 – Variations of visualizing findings and emergent models from drafts of Paper 3

Research quality

Building trustworthy case studies is a prerequisite to legitimize proposed findings and conclusions and to be able to claim to make contributions to the research field (Gioia et al., 2013; Locke & Golden-Biddle, 1997). To evaluate the quality of findings and conclusions derived from qualitative, interpretive research, I must assess the trustworthiness of the research (Cloutier & Ravasi, 2021; Creswell & Miller, 2000). Trustworthiness can be established through addressing four different criteria: credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985). Each of these criteria pertain to how data are collected and handled, as well as how data are used and reproduced for analyses and drawing conclusions.

Credibility refers to how believable or plausible the findings and conclusions from the study is (Creswell & Miller, 2000). A way of enhancing credibility is to present the empirical findings in an accurate manner and connect the resulting interpretations in such a way that the reader deems it plausible (Gioia et al., 2013). By using excerpts of the data material when presenting findings and building data tables, I aimed to enhance the credibility of the presented findings. Through regularly referring to the data material, I demonstrate how the findings are grounded in the data and the respondents' individual and collective experiences of the change processes. The use of data tables and quotes also provides the opportunity to show how interpretations are shared between several respondents, or across organizations (as in Paper 2), further strengthening the plausibility that the findings represent what is going on during the change processes.

Transferability refers to evaluating if the findings and conclusions can be generalized from the case. The goal of a case study is, however, not to universally generalize the findings, but to provide analytical generalizations and transferability (Yin, 2014). By providing a thick

description, that is, giving detailed accounts of the context and findings, the reader can receive an in-depth understanding of the setting and is able to transfer the findings into other settings (Creswell & Miller, 2000). In the papers detailed descriptions of the research settings is added to ensure transferability.

The dependability of a research project relates to if the reader can trust the reported findings and the methods used to derive them (Creswell & Miller, 2000). In both this introductory chapter and the individual papers, I detail the process of collecting, analyzing, and interpreting the empirical findings. The use of visualizations and data tables contribute to the dependability of the findings, as these are representations of the raw data presented in a more readable format than pages and pages of transcribed data material (Cloutier & Ravasi, 2021; Langley & Ravasi, 2019). I have relied on the data analysis software nVivo 11 (QSR International) to structure and organize the data material but have conducted the coding process manually. One benefit of using software to store the data material is the option to generate reports to get an overview of the different codes (for instance *future orientation*), the number of sources (e.g., of transcribed interviews or respondents) the codes were present in, and the total number of quotes with that code. In Figure 6, I have included an excerpt of a "code overview" exported from the software in the early stages of the analysis (codes are in listed in Norwegian). Being able to generate these reports can strengthen trustworthiness by reducing the risk of becoming biased toward certain interpretations, as reports can give a neutral overview of the occurrence of codes and themes in the different data sources. With this, it is possible to detect if key findings and interpretations are based on few or several respondents.

Name	Sources	References
Fremtidsutsikter	10	70
Robotiseringsprosess	10	52
Konsekvenser robotisering	9	46
Besparelser	10	45
Digital kollega	10	45
Oppfølging robot	10	42
Forventningsavklaring	10	38
Involvering	9	38
Arbeidsoppgaver	10	36
Fordeler robot	10	34
Systemavhengighet	10	32
Forvaltning	10	32
Skepsis	10	29
Digitalisering	10	28
Potensial robot	8	27
Samarbeid FO og Rob	9	27
Kompetanseheving	6	26

Figure 6 – Example of a code overview for early analysis in Paper 2

Finally, confirmability is a criterion for trustworthiness through the evaluation of how interpretations and findings are backed up by evidence (Creswell & Miller, 2000). As proposed above documenting findings and tracing them back to different respondents builds transparency in how interpretations are backed up by evidence. In the different studies, I have also relied on various sources of data to be able to triangulate findings (Alvesson, 2003).

Essentially, I took steps during the research process to ensure the research quality and trustworthiness of my analysis and proposed conclusions. Documentation of the research and analysis process, and frequent discussions with supervisors which challenged me to consider alternative explanations, has reduced the risk of biases in my interpretations. Frequently presenting and sharing results with the research community and in teaching settings have also contributed to strengthening the quality of the research, by probing my understanding and uncovering unclear arguments or interpretations not sufficiently grounded in the data.

In my opinion, ensuring trustworthy analysis is one of the most important priorities of the research process. The aim is to soundly argue for theoretical contributions and to pay respect

to the various actors who have contributed to the study. With regard to case studies that rely on respondents sharing their experiences, the researcher's role has been referred to as a "*glorified reporter*" (Gioia et al., 2013, p. 17). Within this role lies the responsibility of accurately giving voice to the respondents who have devoted their time and experience to the research objective and presenting this in a truthful manner.

Presentation of thesis papers

This thesis consists of this introductory chapter and three empirical research papers. In this section, I have included the abstract of each thesis paper, which follows a table where I present an overview of each study, the research question and approach, the method of data collection, key findings, contributions, and implications (Table 3 – Presentation of papers). The three papers each make distinct contributions. They also collectively provide the basis for the discussion of the research questions posed in the thesis and the following contributions, as presented in the remainder of this introductory chapter.

	Presentation of papers		
	Paper 1	**Paper 2**	**Paper 3**
Title	Sending tasks abroad: Employee narratives during offshoring	Gaining and training a digital colleague: Employee responses to robotization	Developing organizational change capacity: Accessing the HR toolbox
Author(s)	Julie S. Ågnes	Julie S. Ågnes	Julie S. Ågnes, Christine B. Meyer, Inger G. Stensaker
Research question	What characterizes constructive employee responses to offshoring?	How do employees respond to robotization?	How can HR processes and practices contribute to developing an organization's change capacity?
Research approach	Single-case study; FinCo.	Multi-case study; North, South, and West.	Single-case study; FinCo.
Data collection	Data collected 2017/2018. 21 interviews at company site, resulting in about 240 single-spaced pages of transcription and field notes. Visit to company offices and informal conversations with respondents, access to internal documentation, and use of public information such as media clips and industry/union reports.	Data collected 2018/2019. 34 interviews, resulting in about 580 single-spaced pages of transcription. Visit to company offices, access to internal documentation, CEO blogs, and use of public information such as media clips, interviews of top managers, and industry reports.	Data collected 2020/2021. 17 interviews, resulting in about 150 single-spaced pages of transcription and notes. Long-term research collaboration with the case company allowing access to previous research projects and informal conversations with respondents. Public information about the company, CEO blogs, and media coverage.
Key findings	In response to offshoring, employees construct narratives characterized by being rational, future oriented, and relational. This allows employees to successfully offshore tasks and maintain their well-being.	Employees respond to robotization along the "ABC" dimensions – employees adopt big-picture thinking (cognitive), find developmental opportunities (behavioral), and build relations (affective). Collective employee constructive and positive responses are facilitated by managerial and organizational support and contribute to the	HR staff create and continuously develop a "toolbox" of processes and practices that contribute to building change capacity. Through these processes and practices, HR staff support employees, managers, set rules for change processes, and align with internal stakeholders. As a result, HR staff contribute to building organizational change capacity.

		successful implementation of change and employee engagement.	
Contributions	This paper contributes to offshoring literature by presenting an onshore employee perspective during an offshoring process. The contributions are threefold: (1) adding the important role of employees as change agents in realizing an offshoring strategy, (2) broadening the understanding of employee responses to offshoring by showcasing nuanced narratives, and (3) extending knowledge about the ways in which managers and organizations can facilitate and contribute to the formation of constructive responses.	This paper contributes to literature on technology-driven change by empirically showing how employee responses to robotization are multidimensional. The contributions are threefold: (1) adding empirical evidence of multidimensional responses among employees, which have previously predominantly been discussed conceptually, (2) identifying managerial and organizational efforts that provide a receptive context, facilitating constructive responses, and (3) emphasizing the importance of affective responses and showing how anthropomorphism becomes a mechanism in achieving technology-driven change.	This paper contributes to literature on organizational change by showing how and why HR practices foster organizational change capacity. The contributions are twofold: (1) unpacking the role of HR staff as contributors to organizational change capacity and (2) documenting practices and processes HR develops and makes use of to build organizational change capacity.
Implications	The paper proposes two main practical implications: (1) organizations should aim to include employees in offshoring initiatives, even if employees stand to lose, and (2) there is a need for greater awareness of the managerial and organizational efforts necessary to create and maintain supportive structures during change.	The paper proposes two main practical implications: (1) employees *themselves* made sense of robotization and shape their own responses, and this should steer managerial attention to how they can shape employee responses more so than direct employees, and (2) there is a need for greater awareness of how managers can design a participatory process to create a receptive context for change.	The paper proposes three main practical implications: (1) HR can develop a toolbox with different practices and processes, (2) HR can take on a gatekeeper role in recruitment processes to increase internal mobility efforts and potential job safety, and (3) organizations should be aware that building capacity for change is a systematic and ongoing effort, not a short-term sprint.

Table 3 – Presentation of papers

Paper 1

Sending tasks abroad: Employee narratives during offshoring

Julie Salthella Ågnes

SNF – Centre for Applied Research at NHH

Norwegian School of Economics

Abstract

In this paper, I develop theory on employee responses to change by drawing on a case study on employee narratives of an offshoring initiative. Offshoring involves transferring tasks to a location abroad and represents a subtractive change for employees who lose their tasks in the process. I find that employees are constructive in their responses to offshoring and construct narratives characterized by being rational, future-oriented, and relational. With these findings, the paper contributes insights into how employees respond to a specific, subtractive change. The findings also reveal how managerial and organizational support shaped and facilitated the employee responses; therefore, these findings can provide inspiration to other organizations on the methods available to build capacity for change among employees.

Keywords: offshoring strategy, captive center, onshore employees, employee responses, narratives, qualitative case study

Paper 2

Gaining and training a digital colleague: Employee responses to robotization

Julie Salthella Ågnes

SNF–Centre for Applied Research at NHH

Norwegian School of Economics

Abstract

This study shows how introducing new technology can be like welcoming a digital col- league. Designed to mimic the actions of employees, robotic process automation is a technology that involves developing software robots to perform standardized tasks. Although beneficial for the firm, robotization may come at a cost for the employees, since the technology puts positions at risk by automating manual procedures. In this study, I used a case study approach to examine how employees responded to robotization in three organizations. The findings revealed that the employee responses were overwhelmingly constructive and positive. In addition to responding with a big-picture perspective and finding opportunities, the employees humanized software robots as new digital colleagues, with whom they developed relationships. The results discussed in this study contribute to understanding technology-driven change by empirically illustrating employees' multidimensional—affective, behavioral, and cognitive—responses to robotization, and the supportive context securing implementation.

Keywords: employee responses, multidimensional responses to change, technology-driven change, robotic process automation, change implementation, qualitative case study

Paper 3

Developing organizational change capacity: Accessing the HR toolbox

Julie Salthella Ågnes, SNF–Centre for Applied Research at NHH

Christine B. Meyer, NHH Norwegian School of Economics

Inger G. Stensaker, NHH Norwegian School of Economics

Abstract

Contemporary organizations experience a high pace of organizational change with parallel and overlapping change initiatives. Existing research has probed how organizations can develop a capacity for multiple change, but without specifying how various groups in the organization contribute. Drawing on a case study within the Nordic financial industry, we examine HR's role in developing organizational change capacity (OCC). Findings suggest that HR staff contribute to developing change capacity in four important ways targeting different levels within the organization. Through their practices and processes, HR staff (1) support employees in upskilling, reskilling, and mobility initiatives; (2) enhance middle and first-line managers' change management capabilities through various training programs and HR business partner roles; (3) set clear policies to guide and sometimes also constrain middle and first-line manager's room to maneuver; and (4) align the interests of stakeholders, such as unions, communications departments, and corporate centers. These findings contribute to the organization change literature by showing how and why HR practices foster OCC, which in turn strengthens an organization's ability to successfully achieve change goals, even in high-pace and multiple change contexts.

Overall findings and discussion

The purpose of this introductory chapter is to discuss the two overarching research questions posed in this thesis. The first question sought to explore how employees collectively respond to and influence subtractive change, and the second sought to explore how organizations can develop change capacity among their employees.

The discussion will be based on the three empirical research papers presented in this thesis. From these papers, I have derived a model of the overall findings which is presented in Figure 7. The figure shows how the three papers *together* address the research questions posed in the thesis. Figure 7 illustrates that subtractive change, like other types of change, triggers collective employee narratives and responses, which ultimately influence the outcomes of the planned initiative. The collective employee narratives and responses are shaped not only by change content, but also by managerial and organizational factors. The activities of the HR staff are an example of a supportive organizational function that can shape collective employee narratives and responses. The outcomes of change include employee-level outcomes and have implications for the organizational capacity for change in the long term.

I will present the overall findings in three sections. First, I will show how employees collectively respond to subtractive change. Second, I will demonstrate the influence the collective responses have on the subtractive change outcomes. Third, I will elaborate on how capacity for change can be developed among employees. I close the overall findings and discussion section by presenting the boundary conditions of the model.

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│        Managerial and organizational support:    │
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│                      Paper 3:                     │
│  │ HR staff support managers, align stakeholders,│
│       set change policies, and support employees │
│  └ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┘    │
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Shapes

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┌─────────────┐          ┌─────────────────────────────────────────────────┐          ┌─────────────────────────────┐
│             │          │  Collective employee narratives and responses:  │          │       Change outcomes:      │
│             │ Triggers │  ┌ ─ ─ ─ ─ ─ ─ ─ ┐  ┌ ─ ─ ─ ─ ─ ─ ─ ┐          │ Influences│  ┌ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┐  │
│ Subtractive │ ───────► │      Paper 1:          Paper 2:      │          │ ───────► │     Implementation of   │  │
│   change    │          │  │ Construct rational, │  │ Adopt big-picture │  │          │    subtractive change   │  │
│             │          │   future-oriented, and   perspective, find │          │  └ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┘  │
│             │          │  │ relational narratives│  │ developmental     │  │          │  ┌ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┐  │
│             │          │                        opportunities, and │          │     Employee engagement │  │
│             │          │  │               │  │ build relationships│  │          │  │   and well-being   │  │
│             │          │  └ ─ ─ ─ ─ ─ ─ ─ ┘  └ ─ ─ ─ ─ ─ ─ ─ ┘          │          │  └ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┘  │
│             │          │                                                 │          │  ┌ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┐  │
│             │          │                                                 │          │     Change capacity     │  │
│             │          │                                                 │          │  └ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┘  │
└─────────────┘          └─────────────────────────────────────────────────┘          └─────────────────────────────┘
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Figure 7 – Collective employee responses to subtractive change

Collective employee responses to subtractive change

Previous research introduces subtractive change as being more difficult to handle than additive change initiatives (Albert, 1992; Corley & Gioia, 2004; Rousseau, 2021). It is therefore somewhat surprising that key findings in this thesis demonstrate employees collectively building positive and constructive narratives in response to subtractive change. In the first part of this discussion, I will present overall findings on how employees collectively responded to subtractive change and discuss with extant literature.

In Papers 1 and 2, I demonstrate constructive and positive employee responses and narratives to offshoring and robotization. Though change initiatives have subtractive elements, employees characterize the changes as being about something different than loss. Employees evaluate change in a rational manner, maintain a big-picture perspective, orient themselves toward the future, find developmental opportunities, construct relational narratives, and build relationships. Offshoring becomes about implementing a strategic change of task reallocation, securing future competitiveness of the company, and equipping new offshore employees—whom onshore employees start to care for—with the necessary knowledge to replace onshore, Norwegian, employees. Robotization is viewed as an initiative connected to the big picture of the company, as a stepping-stone for employees to develop and acquire new tasks, and as an addition of *new digital colleagues* who add value to existing work processes.

The findings demonstrate employees as active participants in the change initiatives, contrary to the common notion of employees as passive change recipients. Employees respond to subtractive change in a future-oriented way and express progressive narratives through, for instance, identifying future opportunities (Sonenshein, 2010) within or outside the company. Mobilizing progressive narratives may be particularly remarkable in instances of subtractive

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change, as subtractive change can lead to loss and aspects of the organization being left in the past. These findings therefore support the notion of subtractive change being construed as *virtuous* (Rousseau, 2021). Employees are collectively building a perspective of going forward, by sharing examples of colleagues who have turned the subtractive change into new opportunities by taking on responsibilities and tasks in the implementation effort, showcasing an agentic change behavior without explicitly being given this responsibility (Balogun & Hope-Hailey, 2008).

The findings also demonstrate that at a collective level, responses to change are multidimensional. Conceptual research has theorized that responses at an individual level can be multidimensional along affective, behavioral, and cognitive dimensions (Piderit, 2000). In Papers 1 and 2, I provide empirical evidence showing how employee responses are nuanced and can also be tied to affective, behavioral, and cognitive dimensions at a collective level. In Paper 2, I refer to this as the *ABC (affective, behavioral, cognitive) of employee responses*. I further elaborate in the papers that the dimensions interact with and enhance each other. Employees affected by offshoring construct a rational narrative of this change, identifying the overall strategic explanation for change, and this cognitive evaluation of change contributes to employees seeking new opportunities to develop and contribute to implementing change. The findings support previous research suggesting that the narratives—and emotions—can circulate and have a contagious effect (Bartunek et al., 2006) among employees, shaping their understandings and contributions to change.

As a collective, employees "help each other out" when responding to change. For instance, as I show in Paper 1, employees refer to offshoring as a settled decision and state that they all "just need to make the most of it." This turn of phrase is shared among employees and is part of how

the employee group has created a shared understanding. This supports existing research suggesting that sensemaking is not only a cognitive process but also a social process (Maitlis, 2005). Both Papers 1 and 2 show how support and understanding generated at the horizontal level (among employees), as opposed to vertically between management and employees, has considerable influence on employee responses. Colleagues can narrate and contextualize the change in a different manner than managers may, as colleagues face the same implications. Likewise, as shown in Paper 2, employees collectively fuel the narrative of robotic software as digital colleagues with names and identities. If management had introduced the notion of "hiring digital employees," the responses might have developed in a different manner than when employees themselves were able to build relationships with their digital colleagues on their own terms. My findings reveal that there are several factors derived from management and the organization which influence employee responses, yet the employees themselves make use of each other to collectively construct the narratives.

In summary, the insights from the empirical studies showcase employees at a collective level as active contributors to change. The collective narratives and responses are characterized by being multidimensional. While existing empirical research typically takes a narrow approach and prioritizes exploring either employee emotional responses or their cognitive understanding of change, my findings suggest that the dimensions *work together*. The affective, behavioral, and cognitive dimensions enhance and reinforce each other, and the narratives and responses influenced by these dimensions in turn shape the outcomes of change that will be discussed next. Future research may therefore benefit from taking a broader approach when exploring employee responses to change.

Collective employee influence on subtractive change outcomes

In this section, I draw on my findings to discuss how and why collective employee narratives and responses have an influence on three outcomes of change which are discussed next.

Previous literature has suggested that narratives can be used to create both stability and change (Vaara et al., 2016). The empirical examples of offshoring and robotization showcase how the emergent narratives contribute to producing the intended change in the case organizations. Through constructive, and positive, narratives and responses, employees take on an agentic change role and contribute to obtaining the goals of change: namely, sending tasks abroad and implementing new work processes due to robotization. The employees collectively contribute to a successful implementation of the subtractive and strategic change initiatives through identifying their role in the change process and taking ownership of the change by adopting a future-oriented or progressive perspective. The employee contribution to the successful implementation of change is facilitated by managerial and organizational efforts to create a participatory process and equipping employees with knowledge or training to manage the task transfers.

This thesis demonstrates that there are also important employee-level outcomes for subtractive change initiatives. Employees collectively contribute to maintaining, and even building, employee engagement and well-being during the change process—which is somewhat surprising as the subtractive change initiatives may lead to loss at the employee level. Together, employees find meaning in their role in change, and they stay engaged. In Paper 1, I show how employees construct relational narratives that enable them to find meaning in the implementation activities (transferring away their own tasks); it gave them *a good feeling and pride* to have contributed. In Paper 2, employees maintain engagement by following up on their

new digital colleagues while also learning more about the technology so that they can find new tasks to automate next. These findings demonstrate how employees engage in activities that contribute to maintaining their well-being and engagement.

The last outcome of a single change initiative discussed here relates to how the experience and circulating narratives may shape subsequent change processes. This may be referred to as change capacity, as organizations can build capacity to implement change while maintaining daily operations and not harming future change (Heckmann et al., 2016; Meyer & Stensaker, 2006). Insights generated from this thesis suggest that the constructive narratives and responses employees express lay a foundation for capacity to handle future change initiatives. Employees express agency during change initiatives and solicit support from managerial and organizational actors through participatory change processes. In this way, employees acquire experience in dealing with subtractive change in a progressive and future-oriented manner.

Developing change capacity among employees

The thesis's second research question concerns how organizations can develop change capacity among employees. As mentioned above, capacity for change is an organization's ability to implement change while maintaining daily operations and to implement future change (Meyer & Stensaker, 2006). The empirical findings demonstrate employees responding to change in a positive manner and contributing constructively to the subtractive change initiatives, which then transforms the subtractive change initiative into an opportunity to build capacity for change. Empirical findings also evidence organizational and managerial support to facilitate the constructive and positive collective responses, both in the single change initiative exemplified in Papers 1 and 2 and systematically over time as exemplified in Paper 3. In the following section, I discuss how change capacity may develop among employees. First, I

address how organizations undergoing a single change initiative can facilitate a process that builds change capacity among the participating and affected employees; second, I address the systematic effort that organizations may expend over time to build capacity.

The insights from my thesis showcase an active employee group that constructs and makes use of narratives during subtractive change to both create meaning and to *find meaning* within the change initiative. Through crafting narratives, employees collectively draw on affective, behavioral, and cognitive dimensions to make sense of change and find their role in contributing to that change. Narratives therefore become a mechanism to create meaning and to work with the change initiative. Although employees are key actors in making this happen, the organization and managers facilitate a process that contributes to building change capacity during the single change initiatives of offshoring and robotization. Managerial and organizational support during the change processes creates a receptive context for change by providing employees with support to both handle (and participate in) the ongoing subtractive change initiative while maintaining daily activities and generating positive change experiences. The managerial and organizational support is characterized by managerial sensegiving efforts, the assistance of supportive change agents and other units such as Paper 2's robotic units and Paper 3's HR staff, the creation of participatory processes, and having predictable change practices and processes.

All three studies in this thesis demonstrate how an alignment between various managerial and organizational supporting actors contributes to building the receptive context and capacity for the subtractive change initiative. The various actors support communicative and similar messages, providing employees with direction for the change initiative. Both offshoring and robotization are connected to a "big-picture" or overall strategic aim of the company, which is echoed through the organization. Maintaining an alignment within the organization may also

provide employees guidance in how to balance change in relation to daily operations. To align the organization and create a shared understanding for change, managers are often advised to create a sense of urgency (Kotter, 1995). Building capacity among employees can therefore involve raising awareness about the competitive landscape and the uncertain future they face; however, there is a risk of harming the capacity for future change if the current "sense of urgency" becomes overwhelming or stressful (Fredberg & Pregmark, 2022).

Most organizations are required to not only handle single change initiatives, but must also be prepared to initiate multiple and even overlapping and excessive change (Kanitz et al., 2022; Stensaker et al., 2002). To equip the organization to handle a fast-paced, multiple change context, organizations can over time work systematically to build capacity for change among their employees. As such, these findings support and extend previous research on how change experiences shape employee responses (Stensaker & Meyer, 2012). More specifically, in Paper 3, we demonstrate how a supportive HR function can contribute to building capacity for change through different dimensions. HR can develop practices and processes aimed at the employees, managers, HR policies, and internal stakeholders which in different ways create an environment that can handle subsequent change initiatives. The case company, FinCo, has over time invested in various practices that equip the organizational members to handle change and develop a culture that is open to change and development. This becomes evident in Papers 1 and 2 where the organization leverages its long-term investments to implement offshoring and robotization successfully while maintaining positive employee outcomes. Building a long-term capacity for change among employees is about systematically investing in initiatives that create safety for employees in uncertain times and leveraging the culture of learning and development in times of change.

Based on the empirical insights from this thesis, investments to build capacity among employees can include creating opportunities for development, as this appears to provide employees with a sense of safety because they can identify a future place for themselves and their skillset even if their current tasks disappear. Additionally, an organization's attention to change practices and processes, which may include routinizing change, can create predictability of what strategic change can entail; that is, it may anticipate the different steps required for change, such as reorganization processes. This can contribute to capacity for change among employees by reducing the uncertainty about what happens next. HR, in particular, can be an important actor which coordinates the organization's learning and experience from single change processes and uses this to continuously develop the organization's change routines, as exemplified in Paper 3.

In summary, organizations can develop capacity for change among their employees. This can be done by both facilitating single change initiatives where employees are able to take agency and systematically contributing to employees experiencing a sense of safety related to their jobs by being offered opportunities to develop professionally. By systematically working on change practices and processes, organizations can also contribute to reducing uncertainty in times of change as the employees become familiar with and start to trust the processes of change.

Boundary conditions

In Figure 7, I present a model for collective employee responses during subtractive change. This model is based on findings from three empirical case studies within a particular setting. This requires certain conditions to be kept in mind when transferring the findings to other settings. In essence, this means that the same narratives and responses to change cannot be expected in a new context of subtractive change—the narratives and responses will be

dependent on certain contextual conditions. I aim for analytic transferability, which means the ability to transfer the findings from studies into new contexts by taking the research context into consideration. One step to ensure transferability is to provide a thick description of the research setting (Creswell & Miller, 2000). In each of the thesis papers, the research setting and specific subtractive change initiative is described; therefore, I will expand in this section on the overarching research setting and elaborate on two distinct aspects that have shaped the empirically derived model: the Norwegian institutional context and the case organizations' change experience.

In the Norwegian context, there is a tradition of strong employment regulations imposed by the government and policed by labor unions, giving employees more power in relation to their employers (Olsen, 2016). When initiating change that may lead to redundancies and layoffs, it is probable that Norwegian employees face a different situation than employees in countries with weaker employee power. This is highlighted in Paper 1 where I suggest that if transferring the findings to another context, one must consider that the onshore employees in Norway have stronger protection than employees in comparable offshoring studies taking place in, for instance, the UK. A similar point is echoed in Paper 3, where a distinct part of HR's role in building capacity for change is their alignment with labor unions who traditionally play a central part during change in the Norwegian context. When employees perceive a low risk of losing their jobs, they are more likely to respond constructively to change, even if their tasks disappear. This is because they benefit from employee policies which ensure that their employment with the organization is not threatened. However, there are case studies within the Norwegian context offering examples of employees with distinctly different responses to change even within the same institutional (and organizational) context (Stensaker et al., 2021),

further underscoring the importance of taking the organizational conditions into account, which I will comment on next.

When making use of the empirically derived findings in this study of responses to subtractive change, one must consider the change history of the case companies. The case companies share the same history of change in the Norwegian financial sector and the same surrounding pressures of new regulations and customer demands. The overarching societal narratives of digital transformation and global trends of technology shaping the financial sector may have increased the receptiveness of employees to change tasks under technological and organizational pressure, when these changes are seen in line with the history of the centralization of financial services and other process automation and digitization efforts (Gujral et al., 2019).

A key influence on the model is the main case company in all three included papers: FinCo (called North in Paper 2). As I further explore in Paper 3, FinCo has a long history of different change initiatives and has systematically established structures and support systems for its managers and employees. Over time, the company has built and institutionalized a capacity for change, and they have exercised their change muscle (Stensaker & Meyer, 2012; Worley & Lawler, 2009). This suggests that the starting point of a subtractive change initiative for this company is not the same as for other companies. A company's experiences of previous or ongoing change and transformation will inadvertently affect any single change initiative. This is aligned with the emerging focus on the multiple change organizations must deal with (Kanitz et al., 2022; Rydland & Stensaker, 2018; Stensaker et al., 2002). This means that when initiating a subtractive change, and triggering employee narratives and responses, a company cannot necessarily expect constructive and positive narratives, despite these being the findings I

present in my model. The narratives and responses, and subsequently how employees affect the outcomes of change, will be shaped by the organizational context and supporting factors specific to the organization and the prior experiences of employees. Nevertheless, the mechanisms of employees shaping and reinforcing narratives and responses at a collective level is a transferrable finding of the model.

Theoretical contributions and practical implications

In this section, I demonstrate how this thesis contributes to theory on planned strategic change and employee responses to change. I also discuss the practical implications for organizations, managers, and employees working with subtractive change initiatives and attempting to build capacity for change.

Theoretical contributions

The theoretical contribution of this thesis is fourfold. First, I add to the change literature by focusing on subtractive change as a distinct change phenomenon. With few exceptions (e.g., Corley & Gioia, 2004; Wiedner & Mantere, 2018), the organizational change literature has not paid specific attention to subtractive change processes (Rousseau, 2021). Studies have suggested that subtractive change represents a challenging change with complex responses (Corley & Gioia, 2004; Wiedner & Mantere, 2018). In contrast, I found that subtractive change can be handled constructively, even by the employees who stand to lose in the process. When employees collectively gain an understanding and construct a meaningful role for themselves as active participants in the subtractive change initiatives, they contribute to successfully implementing subtractive change while maintaining their well-being and engagement. This finding contradicts theory suggesting that employees may experience feelings of survivor's guilt after downsizing and layoff processes (Kets de Vries & Balazs, 1997; Mishra & Spreitzer, 1998) and therefore suggests that subtractive change may trigger other types of responses than those related to downsizing and layoffs. Accordingly, this thesis contributes to the literature by providing empirical evidence of organizations handling subtractive change in a constructive manner as well as by supporting recent claims that subtractive change may also be virtuous (Rousseau, 2021).

Second, my findings extend the literature on employee responses to change by showing active responses of employees to change. Traditionally, employees have been treated as passive, and often resistant, change recipients at an individual level (Ford et al., 2008). In contrast, I show that employees are actively partaking in constructing and shaping collective level responses, expressed through narratives. Through these findings, I demonstrate that employees can express change agency in subtractive initiatives and participate in securing successful change implementation—even when that change threatens their own positions. Key to this change agency is the narratives employees make use of to support and drive change (Vaara et al., 2016). These findings support the emerging stream of research highlighting employees as influential actors during change (Bartunek et al., 2006; Sonenshein, 2010), expanding the notion that successful change is only contingent on managerial capability or organizational factors.

Furthermore, by presenting an employee perspective, my findings contribute by empirically illustrating how responses to change can be multidimensional at a collective level. Previous research has conceptually discussed responses as multidimensional at an individual level (Piderit, 2000), which I add to by empirically showing evidence of collective responses encompassing affective, behavioral, and cognitive aspects—all working together. It may be a theoretical exercise to distinguish between affective, behavioral, and cognitive dimensions (Lazarus, 1991), but with narratives it is possible to capture the dimensions working together. Through the narratives, it is possible to demonstrate how the dimensions reinforce each other and shape the responses to change. This thesis therefore expands current literature on employee responses by showing how the multidimensional responses are expressed, and shaped, at a collective level.

Third, by demonstrating three outcomes of change, my findings contribute to strategic planned change literature by adding nuances to change outcomes. When assessing the outcome of change, a key focus is often on the business and goal-oriented outcomes more so than how change processes can be positive for participating employees (Golden-Biddle & Mao, 2012; Stensaker & Langley, 2010). Based on the findings in this thesis, I show that change outcomes can be expressed along additional dimensions: namely, employee-level outcomes and long-term implications for the organization's capacity for change. I empirically demonstrate that employees themselves contribute to successful subtractive change, employee well-being, and engagement. This is in line with research suggesting that facilitating agency for change can strengthen employees (Golden-Biddle & Mao, 2012), yet this research is also expanded by showing how employees collectively take an active role in ensuring the positive change outcomes through their narratives and responses. Employees who contribute to the successful implementation of change while beneficial employee-level outcomes are secured, can build positive experiences and view change as less intimidating. Therefore, this thesis contributes by showing different evaluations of change outcomes, including capacity for change that can affect the success of future change initiatives.

Fourth, and last, my research offers contributions to literature on organizational change capacity in two ways. First, it provides an exploration of the phenomenon of building change capacity at an employee level. Previous research has predominately addressed building change capacity at the individual, managerial, and organizational levels (Heckmann et al., 2016; Meyer & Stensaker, 2006) and at the individual employee level (Stensaker & Meyer, 2012); however, my studies illustrate how employees collectively can contribute in developing organizational change capacity. Employees do so by shaping the collective narratives and responses to subtractive change as a fundamental component of the change experience. Second, my thesis

contributes to organizational change capacity literature by empirically expanding evidence on the role of managerial and organizational support. This contribution is particularly exemplified through HR as a supportive function in Paper 3.

Practical implications

For organizations attempting to implement subtractive change and build capacity for change, there are several practical implications and applications from this thesis. In the following section, I will expand on two key implications for employees, managers, and organizations.

First, based on the findings of this thesis, managers can take away insights on how to handle the collective narratives and to facilitate engagement and mobilization at the employee level. Employee narratives can constitute a valuable source of information for managers as narratives connect the past, present, and future, and thus allow managers to see coherently what might otherwise appear to be fragmented. Perhaps employees understand change in a different way than the "official change memo" as previous research highlights—employees make use of managerial narratives in their own manner (Logemann et al., 2019). Therefore, managers should consider which narratives need to be challenged and which narratives should be highlighted. Narratives can be used to mobilize change or the opposite: to resist change. In essence, a suggestion for managers is to be aware of their role and accept that creating a shared understanding might happen without their direct influence or sensegiving efforts as employees collectively shape an understanding themselves. Identifying and appointing ambassadors among the employees can foster constructive employee narratives. Another approach would be to facilitate a participatory process to increase familiarity with the change and its consequences and attempt to increase the meaningfulness of engaging in implementation activities by showing how the change, for instance, contributes to overall, strategic objectives.

Second, organizations, managers, and employees can use insights from this thesis to build capacity for change, both during specific change initiatives and through systematic efforts. A capacity for change is necessary in today's fast-paced business environment that demands organizations to continuously change. The findings of this thesis demonstrate how different actors within the organization contribute to building capacity among employees (first and foremost) but also among managers and surrounding actors. During change, employees and managers should pay attention to the emerging and circulating narratives, as these shape the change experience which can be leveraged for future change. Employees can be made aware of how they can shape their colleagues' experience, to improve the collective capacity of employees for change. Managers and the organization should also be aware of how they contribute to building capacity by facilitating constructive processes, in addition to considering the structures and processes that strengthen capacity in the long-term.

Conclusion

In this thesis, I have addressed how employees collectively narrate and respond to subtractive change and how change capacity can be built among employees. I have done so by presenting the three research papers which comprise the work of my thesis, and I have demonstrated how these together contribute to an increased understanding of collective employee responses and change capacity. I have found subtractive change to be handled in a constructive and positive manner by employees who adopt an active and agentic role during change, even when change challenges their positions. Employees collectively develop constructive narratives and responses, which are characterized as multidimensional along affective, behavioral, and cognitive dimensions. I show that managerial and organizational support, such as from HR, can contribute in facilitating a constructive change process; in turn, this leads to successful implementation of change, positive employee-level outcomes, and a long-term capacity for change. A key theoretical contribution of this thesis is to extend the literature with empirical insights into the influential and active role of employees during change and how collective employee multidimensional narratives and responses enable employees to adopt a change agent role and contribute to the different change outcomes.

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Sending tasks abroad: Employee narratives during offshoring

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Abstract

In this paper, I develop theory on employee responses to change by drawing on a case study on employee narratives of an offshoring initiative. Offshoring involves transferring tasks to a location abroad and represents a subtractive change for employees who lose their tasks in the process. I find that employees are constructive in their responses to offshoring and construct narratives characterized by being rational, future-oriented, and relational. With these findings, the paper contributes insights into how employees respond to a specific, subtractive change. The findings also reveal how managerial and organizational support shaped and facilitated the employee responses; therefore, these findings can provide inspiration to other organizations on the methods available to build capacity for change among employees.

Keywords: offshoring strategy, captive center, onshore employees, employee responses, narratives, qualitative case study

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1. Introduction

From a firm perspective, the motivation behind an offshoring strategy can be to reduce costs, to increase efficiency, or to gain access to expertise or resources that the company may struggle to accumulate on its own (Hätönen & Eriksson, 2009; Jensen, 2012). Offshoring involves transferring tasks from onshore units to subsidiaries in other countries or to independent service contractors abroad (Contractor, Kumar, Kundu, & Pedersen, 2010; Kedia & Mukherjee, 2009; Zimmermann & Ravishankar, 2016). Much of the literature on offshoring has focused on strategic decisions concerning the choice of suitable tasks, optimal locations, design choices, and how to govern new ways of working (Contractor et al., 2010; Kedia & Mukherjee, 2009). The value captured through an offshoring strategy hinges not only on many of the aforementioned decisions, but also on the implementation process and employees (Larsen, Manning, & Pedersen, 2013; Zimmermann & Ravishankar, 2016). However, far too little attention has been paid to the experience of employees during the implementation process.

When an organization decides to offshore tasks and operations, the employees located onshore need to contribute their knowledge and expertise to train new staff (Jensen, 2009; Zimmermann & Ravishankar, 2016). These employees may, thus, find themselves expected to contribute to training their replacements, in a process that can lead to their own redundancy. The initial implementation of an offshoring strategy is often associated with hidden costs (Larsen et al., 2013). Some of these hidden costs can be connected to mitigating the challenges associated with convincing onshore employees or motivating them toward the initiated strategy as well as to the knowledge transfers needed for offshore tasks (Manning, 2014). Zimmermann and Ravishankar (2016) explored motivational drivers among employees during offshoring and suggested that the motivation of onshore employees depends on expectations about their careers, their workload after the transfers, and the performance of offshore employees. Cohen and El-Sawad (2007) showed how UK and Indian call-center employees position themselves

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"against" each other during offshoring. Their findings suggest a distrusting and sometimes even hostile relationship between onshore and offshore employees, wherein the UK call-center employees were quick to blame the Indian call-center employees for errors outside the Indian employees' control.

In contrast to the challenging employee responses reported above, this study set out to explore more positive onshore employee experiences of an offshoring strategy, by asking the following research question: What characterizes constructive employee responses to offshoring? Responses refer to the employees' thoughts, emotions, and intentions related to a change initiative (Piderit, 2000), expressed through narratives or stories (Balogun, Bartunek, & Do, 2015; Sonenshein, 2010). When shared and circulated, narratives can contribute to a shared understanding among employees and can shape the implementation process (Fenton & Langley, 2011, p. 1176). In this study, a qualitative case study approach is used to investigate how employees responded to offshoring.

This case study draw on data from FinCo, a Norwegian financial services company. FinCo established a subsidiary in the Baltic region to become a captive center to which tasks from operations in Norway is offshored. With the help of onshore Norwegian employees, tasks were, and still are, transferred to the captive center that they call the service center (SC). Although the employees initially expressed skepticism and resistance, the findings show how they quickly went on to support the offshoring efforts by mobilizing rational, future-oriented, and relational narratives. These narratives explain how the employees came to support offshoring and even assumed change agency despite realizing that offshoring is not in their immediate self-interest, since most of their tasks vanished in the process. In turn, the captive center was successfully established and continues to be a valued resource for FinCo by receiving new tasks and continuously improving the already transferred tasks with new technology.

These findings contribute to research on offshoring, which up till now has largely adopted a firm perspective. By providing the onshore employees' perspective during the implementation process, the study shows how the employee narratives contribute to the successful implementation of an offshoring strategy. The findings further detail the characteristics of constructive employee responses, illustrating that they link their own situation to the broader firm-level strategy through their rational narratives, while going much further by assuming change agency and building affective relationships with their replacements. These insights into the conditions that facilitate constructive employee support can allow companies to become more effective in implementing offshore strategies and potentially other new ways of working.

2. Theoretical background

2.1. An employee perspective on offshoring

Generally, companies implement offshoring strategies to cut down costs, improve processes, and enhance capabilities (Hätönen & Eriksson, 2009; Kedia & Mukherjee, 2009; Mudambi & Venzin, 2010). Despite being closely related to outsourcing, these strategies differ in terms of the borders they cross: offshoring refers to crossing a geographical border, whereas outsourcing refers to crossing formal organizational boundaries. Both strategies, alone or in combination, allow organizations to reconstruct their value chains in search for an optimal method to organize their tasks and activities (Contractor et al., 2010; Kedia & Mukherjee, 2009; Mudambi & Venzin, 2010). The term offshoring is sometimes used without detailing the difference between offshore outsourcing to independent service providers and offshoring to subsidiaries. Offshoring to subsidiaries can take the form of establishing a captive center, an internal facility located abroad (Lewin & Peeters, 2006; Oshri, 2011; Tondolo, Kaynak, de Souza, & Bitencourt, 2011). This captive center delivers different services, such as product

development, call-center services, and back-office activities (Oshri, 2011). Establishing a captive center can contribute to growth, organizational learning, and increased efficiency, while also maintaining organizational control by preserving operations in-house (Jensen, 2009, 2012).

Compared to strategic and organization-level issues, the role of employees in offshoring has received less attention. Nevertheless, employees are considered key in securing learning and continued collaboration to capture value from offshoring, which often depend on integrated workflows between onshore and offshore units (Jensen, 2009, 2012). Previous research suggests that offshoring can involve a number of challenges at the employee level (Manning, 2014). For instance, there might be challenges with training offshore employees, and onshore employees may experience anxiety and develop resistance to offshoring (Manning, 2014). These types of challenges often represent unanticipated issues for firms and contribute to hidden costs of implementation (Larsen et al., 2013; Manning, 2014). While exploring employee-level processes in an offshoring system, Zimmermann and Ravishankar (2016) found that the motivational factors for onshore and offshore employees are different within the offshoring system. Offshore employees are motivated by career expectations and assuming task ownership. Onshore employees are motivated by career expectations too, but their motivation also hinges on the anticipated workload after offshoring and the performance of the offshore employees (Zimmermann & Ravishankar, 2016).

Some studies have explored employees' experiences after the implementation of offshoring and investigated their relationship with their organizations (McCann, 2014) as well as the relationships between onshore and offshore employees (Cohen & El-Sawad, 2007). McCann (2014) called for an increased focus on the employees' experiences, after uncovering skepticism and negative impressions from surveyed unionized employees from the UK toward their employer after initiating an offshoring strategy. Cohen and El-Sawad (2007) explored the relationships between onshore and offshore employees in a UK-Indian setting. Colleagues at

several call center locations in the UK and at one Indian location described their relationships as characterized by cultural discourse, creating more distance between the employees. The UK employees were suspicious of the Indian employees attempting to improve their language and cultural skills, whereas Indian employees were eager to prove themselves to their counterparts and customers (Cohen & El-Sawad, 2007). It should be noted, however, that this study focused on the ongoing positioning of employees and did not offer an explanation for how this distrustful and culturally influenced relationship emerged.

Research suggests, perhaps quite naturally, that onshore employees exhibit mostly negative experiences and reactions while offshore employees exhibit different experiences. To further explore the characteristics of constructive employee responses to offshoring, it can be useful to draw on insights from the organizational change literature, which has explored employee narratives and change responses more extensively.

2.2. Employee narratives during change

Research on change has increasingly focused on the role of employees during change by exploring how they respond to, and also actively contribute to, reaching organizational change objectives (e.g., Bartunek, Rousseau, Rudolph, & DePalma, 2006; Sonenshein, 2010). While employees have been traditionally viewed as actors prone to resist change, recent studies contradict and debate this notion, showcasing nuanced and multidimensional responses to change. Employees' perceptions, attitudes, and understanding of change can influence the change process (Huy, Corley, & Kraatz, 2014; Sonenshein, 2010; Sonenshein & Dholakia, 2012) and outcomes (Choi, 2011; Oreg, Vakola, & Armenakis, 2011). In general, employee responses to change involve the thoughts, feelings, and behaviors related to change, and these three dimensions are expressed through their narratives (Balogun et al., 2015).

Narratives are "temporal, discursive constructions that provide a means for individual, social and organizational sensemaking and sensegiving" (Vaara, Sonenshein, & Boje, 2016, p. 496). Narratives of change can be used to mobilize, or perhaps resist, organizational change initiatives (Vaara et al., 2016). Employee narratives during change (e.g., offshoring) can provide an understanding of how employees make sense of and construct change. Managers attempt to influence the employees' sensemaking and develop a shared understanding among them through managerial sensegiving (Gioia & Chittipeddi, 1991). In addition to being subject to sensegiving efforts from managers, employees make sense together. Meaning is negotiated in social interactions, such as in formal and informal settings (Maitlis, 2005), and colleagues make sense through social processes (Balogun & Johnson, 2004) as well as by influencing each other (Bartunek et al., 2006).

Sonenshein (2010) showed how narratives influence employee responses during the implementation of change by describing stability, regressive, and progressive narratives. He found that managers portray strategic change both as change (progressive narrative) and as continuity (stability narrative), which influences the employees' understanding and narratives of change. It was also found that adopting a progressive narrative is associated with more supportive change responses from employees, whereas regressive narratives (pointing toward the past) are associated with more negative responses (Sonenshein, 2010). Sonenshein and Dholakia (2012) also found that employees who identify benefits and have a "worldview" strategic perspective can mobilize their capabilities to contribute to the implementation of change. Both of these examples show how narratives connected to a change initiative are inherently linked to employee responses and implementation outcomes.

Employee narratives can also provide valuable information on how responses have developed over time, as narratives tend to describe the present in light of the past and/or the future. For instance, employees may grieve and experience feelings of loss when they are

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introduced to change (Adams, Hayes, & Hopson, 1976). They may go through phases of initial shock and disbelief but eventually converge toward acceptance of and commitment to change (Balogun & Hope-Hailey, 2008; Elrod & Tippett, 2002). For instance, studies on downsizing have shown that employees go through grief processes regardless of whether they are the victims or survivors of the downsizing efforts (Kets de Vries & Balazs, 1997; Mishra & Spreitzer, 1998).

Change involving closing down business units, removing or transferring tasks and processes, divesting, and downsizing is generally perceived as subtractive (Albert, 1992; Corley & Gioia, 2004). Because subtractive change can involve loss in one area of the organization while adding activities elsewhere, it can be challenging at the employee level, as the affected individuals may lose something. For instance, a recent study on a divesture case has shown that the parent organization struggled more with the change in roles and responsibilities than the divested unit (Wiedner & Mantere, 2018).

In sum, while organizations initiate offshoring as a strategy to reorganize and improve their operations, the successful implementation of such a strategy involves mobilizing employees to contribute to changes that imply the loss of tasks for the onshore unit, as well as loss at the personal level for the onshore employees. To understand the underlying factors that enable supportive and constructive employee responses among onshore employees, their narratives should be analyzed with a specific focus on how they express their thoughts, feelings, and behaviors.

3. Research approach

This research was based on a single-case study of FinCo and the implementation of their offshoring strategy. Single-case studies allow for revelatory and in-depth insights from one organization, which serve as a basis for a rich and nuanced understanding of a phenomenon

from which theory can be developed (Creswell, 2012; Eisenhardt, 1989; Flyvbjerg, 2006; Yin, 2014).

3.1. Research setting

In 2017, the CEO of FinCo publicly expressed a concern that their workforce might be cut in half within the next five years. This urgency to undergo change stemmed from an anticipation of future demands, new technology, and a changing competitive landscape in the financial sector. One initiative to improve efficiency and competitiveness was to establish a captive center, referred to as the SC, short for service center. The aim of this SC was to reduce costs and increase the quality and efficiency of various operational tasks. To reach these goals, tasks were, and still are, continuously offshored to the SC from the headquarters (HQ) in Norway. During its first six years of operation, the SC reached 300 offshore employees. These employees were locally recruited and had to learn Norwegian before receiving task-specific training.

The onshore employees were involved throughout the offshoring process. Transferring tasks at FinCo comprises four steps: decision, planning, training, and stabilization. Before making the *decision*, task eligibility is assessed. Strategic importance, complexity, integration with other processes, and the expected efficiency gains are important variables. Although senior managers are key decision-makers, a work group in which onshore employees are represented by union representatives are part of the discussions. During the *planning* phase, preparations for transfers are made. Onshore employees make detailed plans to ensure that all the relevant knowledge becomes part of the training process. Daily schedules, goals, and performance measures are established. The third phase is *training*. Onshore employees play an essential role in this phase, serving as teachers and mentors for classroom teaching and one-on-one training. Some tasks require training periods of four to six months, whereas other tasks require no more

than a single month. During the *stabilization* phase, onshore employees support offshore employees until the SC takes over and downscaling at home takes effect. Continued collaboration between the HQ and SC depends on where the task ownership is located. Task ownership is occasionally moved to the SC, making the offshore employees responsible for future improvements of the task, although sometimes task ownership remains at the HQ.

3.2. Data collection

To inform the study, I interviewed onshore employees and managers with different tasks and responsibilities in the implementation process. Interviews are generally helpful in eliciting employee narratives (Czarniawska, 2004) concerning the researched phenomenon (employee responses to the offshoring initiative) and the case organization (Gioia, Corley, & Hamilton, 2013). All the interviewed employees were involved in one or more transfers to the SC. In total, I conducted 21 interviews with 18 onshore employees (for overview, see Table 1). Most of these interviews included a second researcher familiar with the setting from a separate project exploring the SC perspective.

INSERT TABLE 1 ABOUT HERE

Five introduction interviews served as important background information for follow-up conversations. Similar to what Huy, Corley, and Kraatz (2014) experienced, these interviews further guided the search for employees involved in the change process. These introduction interviews were conversational, and in their own words, the employees described the offshoring initiative and their roles. Extensive field notes were taken and written up on the basis of these one-hour interviews. These notes were then shared between the researchers, allowing the separation between interview notes and personal notes. During the follow-up interviews, we were updated on the offshoring initiative and also had the chance to discuss the preliminary

findings and uncover potential misunderstandings (Creswell & Miller, 2000). We took field notes after these conversations as well.

In total, 14 in-depth semi-structured interviews were conducted, each lasting between 45 and 60 minutes. Semi-structured interviews generally allow for flexibility in pursuing interesting insights from responses, including going off topic from the tentative interview guide (Corbin & Strauss, 2015). As the respondents had different roles during offshoring, the flexibility of a semi-structured interview allowed them to elaborate on their own experiences. We emphasized before the interviews that we wanted the employees' own experiences of the offshoring initiative, in order to avoid respondents' inclinations to search for the correct answers, which can make it challenging to elicit personal narratives (Czarniawska, 2004). The interviews were recorded and transcribed verbatim.

Internal documents, presentations, and media clips served as important supporting data to gain a fuller picture of the offshoring initiative, as well as for the purpose of triangulating information from the interviews (Alvesson, 2003; Yin, 2014). Having several sources of data to triangulate the findings enhances the trustworthiness of the study, since findings and conclusions rely on multiple data sources (Creswell & Miller, 2000; Lincoln & Guba, 1985). I additionally participated in follow-up meetings and held presentations for FinCo that allowed for sharing preliminary analyses, member-checking, and enhancing the credibility and trustworthiness of the findings (Creswell & Miller, 2000).

3.3. Coding and analysis

I used an inductive approach to analyze the data, and I continuously worked with the collected data while consulting the relevant literature to search for useful constructs and themes (Gioia et al., 2013). This inductive analysis was the basis for building the data structure in Fig. 1 (Gioia et al., 2013). Data structures can be used as a tool during analyses to connect the

emergent terms from the data and guide the discussion of case findings. First-order analysis started with coding the interviews by searching for repeated phrases and thoughts, as well as sentences pointing to cause-and-effect themes and emergent contradictions (Miles & Huberman, 1994), to understand what the respondents were concerned about with regard to the change process. First-order codes are derived from the respondents' terms (Gehman et al., 2018; Gioia et al., 2013) as codes that are both descriptive and interpretive (Miles & Huberman, 1994). Examples of such codes include "loss," "good relations," "skepticism," and "acceptance." Second-order analysis improves the understanding of a phenomenon with more abstracted interpretations by connecting first-order codes under second-order themes (Gehman et al., 2018; Gioia et al., 2013; Langley & Abdallah, 2011). For instance, employee accounts related to accepting change and focusing on decisions were considered part of a second-order theme that I called *rational narrative*, and employee engagement and motivation were considered expressions of *employee well-being*. Second-order themes were connected through aggregate dimensions, such as *employee narratives* and *offshoring outcomes*. Throughout the presentation of the findings, and in Appendix A, excerpts from the interview data are included to provide transparency to the arguments (Creswell & Miller, 2000; Gioia et al., 2013; Lincoln & Guba, 1985).

INSERT FIG. 1 ABOUT HERE

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4. Findings

In the following, I present the HQ employee responses to offshoring. I show how they expressed their support of and dedication to offshoring after initial skepticism. Their narratives can be characterized as rational, future-oriented, and relational. With these narratives and managerial and organizational support, the offshoring initiative was successfully implemented.

4.1. Employee responses

4.1.1. Initial skepticism

Offshoring tasks entailed removing tasks and corresponding onshore positions. One employee explained that if a certain number of employees were allocated to a task that was transferred, these employees had to be subsequently removed onshore after being offshored. This ensured that the proposed cost savings would be achieved. Managers corroborated that transferring tasks caused many of their employees to become redundant: "When the tasks disappear, we no longer need the employees" (SM3) and "There have not been enough tasks left for everyone" (MM3).

Learning that tasks were selected for transfer could invoke reluctant and negative reactions from employees. Many of the affected onshore employees were long-tenured and had been working within the same units for the past 40 years. While the affected tasks were described in negative and unattractive terms, such as being basic and repetitive, it was acknowledged that onshore employees were to lose tasks that they also enjoyed. Receiving the message that tasks were selected could come as a shock, as illustrated in the quote below describing feelings of reluctance and surprise:

"It is not like it's good news that you have to find something else to do since your job is being transferred because that is, in reality, what we are told, and—losing the tasks you enjoy—it costs something to then be positive about what is happening." (E3)

Skepticism was directed toward FinCo's overall offshoring strategy and the SC. Implementing an offshoring strategy by establishing the SC as a captive center involved active downscaling at home. This practice was questioned by several employees through reflections on FinCo's responsibility to retain knowledge locally and provide job security at home. The onshore employees were also concerned that the offshore employees would not be able to

perform their tasks in a similar manner with equal or higher quality in such a short time. They feared that the planned transfer processes were not achievable because of the short deadlines and cultural differences. The onshore employees also reported that other departments relying on services that were transferred sometimes were upset and complained if they were not informed of transfers or perceived a difference in quality after such transfers. Skepticism toward the specific region of the offshore SC was raised as a concern because of the potential cultural and regulatory challenges that may slow the implementation process or cause future challenges.

Some onshore employees remained in the background during offshoring. These employees expressed their skepticism by passively being bystanders during the transfer processes and stated that they would not be active in training their replacements. Small comments expressing both skepticism and resentment were made, as explained by one of the managers involved:

> "Some have pulled themselves away a bit, not being bitter or complaining, but not participating. Might say stuff like 'I won't bother to be part of that' and 'they aren't going to learn anything from me', those types of comments." (LM1)

4.1.2. Employee support

Although negative and skeptical responses were acknowledged, the employees rather quickly expressed their support for the offshoring strategy. When talking about the SC and the transfer processes, the employees started by describing the *decision*. One employee stated the following: "The decision is made, so then we stop being negative" (E9). Not being negative meant to not focus on potential negative aspects and implications of the SC and, instead, to integrate the decision as being the status quo. Rationalizing and accepting this decision provided the onshore employees with the opportunity to decide to not be negative and intentionally limit undesired responses. Being negative was perceived as unhelpful. One

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employee pointed out that the decision to offshore tasks was incorporated as the new reality and accepted it "just the way it is" (E5). With the new operating model, searching for benefits and opportunities became the reasonable direction to move forward.

One activity that the onshore employees took on to make the most out of the situation was training offshore employees. The skepticism initially raised toward the offshore employees and their skillsets was reduced when the onshore employees met and started collaborating with the offshore employees. All the employees in the department had the chance to meet the offshore employees taking over their tasks, regardless of whether they initially participated in preparatory or training activities. The onshore employees willingly engaged in developing positive relationships with their new colleagues during the training sessions and during other collaboration efforts while constructively dealing with the changes to their own tasks.

Contributing to the transfer process appeared to be a valuable experience. Being able to assume responsibility in the implementation process gave the onshore employees a chance to develop their own skillsets when documenting routines as well as training and mentoring offshore employees. Being involved provided the onshore employees with an experience in which they could accumulate knowledge and competencies themselves. Participating involved socializing with the offshore employees and created a chance to work abroad at the SC for a short time period, which was perceived as a valuable opportunity:

> "Of those who have said yes to contributing, they said that they would not be without that experience and that it has been super educational and exciting." (SM2)

When they were involved in the training activities, the onshore employees shared their knowledge and became acquainted with the offshore employees. The offshore employees were aware that their presence would threaten their trainers' jobs. The onshore employees sometimes had to comfort the offshore employees by emphasizing how important it was that they, as

onshore employees, equip them with as much knowledge as possible before retiring or leaving the business unit. This was because, after transferring the tasks, the onshore employees will be unavailable to answer questions or help with tasks. The importance of training the offshore employees was not limited to the onshore employees feeling obligated to leave their replacements with all the necessary knowledge; the onshore employees took personal pride in doing an effective job. As stated by one employee, it was important to provide excellent job training for the offshore employees because "you put your honor into it" (E10).

In sum, the employees initially expressed some degree of skepticism toward offshoring but became supportive and constructive. To further explore the constructive employee responses, I will now explore the employee narratives.

4.2. Employee narratives during offshoring

Although the onshore employees participated in different transfers, with different tasks, and in different departments, they expressed coherent narratives regarding offshoring. In the following, I illustrate how rational, future-oriented, and relational narratives are linked to constructive and supportive employee responses.

4.2.1. Rational narrative

When speaking about the transfers, the decision of choosing a specific task for transfer was usually the starting point. The employees narrated that the decision to transfer a task was a final, indisputable decision. The decision mobilized the employees to act or behave in a certain manner. They explained how they had to "stop being negative" (E9) and that "life goes on" (E10). This may be indicative of negativity existing prior to the decision and the initial skepticism displayed by the employees. The transfer decision became a turning point for the employees to mobilize toward the implementation efforts. The transfer decision was

characterized as indisputable and no longer under the employees' control or influence. The fact that the decision was final was not perceived as negative, unfair, or much of a concern.

It should be noted that the employees did not search for opportunities to resist or oppose the offshoring strategy or blame others for the consequences of sending their tasks abroad. Instead, they focused on the implications of the decision and the tasks that they themselves had to take on. They rationally approached offshoring by not being negative or spending time challenging the decision, and they rather rolled up their sleeves to start on the task descriptions and training programs for the offshore employees. This showed that the employees were constructive and made the most out of the situation: "It is just the way it is. We have to make the most out of the situation" (E5).

Another aspect of the rational narrative was perceiving the offshore employees as colleagues and not just as foreign, external, or offshore workers. The onshore employees explained that, despite being located elsewhere, the offshore employees were still part of, and employed by, FinCo and shared common organizational goals. Being negative or malicious toward the offshore employees would undermine their employer's efforts to improve processes and implement the chosen offshoring strategy, thus negatively affecting fellow colleagues who were only employed to do their jobs effectively. Such a shared identity as FinCo employees and colleagues contributed to building trust in the offshore employees' willingness to be effective in the tasks they inherited.

Expressing a rational narrative, the onshore employees treated offshoring as an indisputable decision. This mobilized them to respond to change by making the most out of the situation, take on tasks, move forward, and be constructive toward the offshore employees.

4.2.2. Future-oriented narrative

Many employees mentioned the future benefits of offshoring for the organization as a whole and for themselves at a personal level. They explained why the SC and efforts to improve operations were important for the future state of FinCo and discussed future opportunities and benefits that they identified for themselves. A future-oriented narrative seemed to be helpful for the employees to legitimize offshoring by viewing it in a future context.

The offshoring initiative was identified by the employees as being aligned with the industry demands. Generally, the financial industry has experienced major changes in how customers interact with their banks, with a shift from physical bank meetings to interactions with customers via phone, chat, and digital platforms. Along with the anticipated emerging international competition (e.g., due to regulations like PSD2[1]), FinCo must strive to remain competitive. All the employees connected the development in the industry to an urgency for organizational change. This urgency was emphasized by the CEO's public statement about significantly reducing the workforce by 50% within a few years. Optimization of the tasks targeted by offshoring may be part of reducing the workforce. One manager estimated that back-office tasks would be significantly reduced because of the costs and because of the processes becoming more efficient, digitized, and automatized.

Adopting a future-oriented perspective was not a personal exercise. The employees adopted an organizational strategy perspective when explaining that change in strategy and operations was necessary to remain competitive. They viewed technology and digitalization as future threats to their jobs and believed that their professions will be phased out to new technology together with the trend of customers being increasingly self-helped. Digitalization efforts and technology investments were prioritized by FinCo to facilitate this development. Knowing about the firm's efforts to make use of new technology, the employees expected

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[1] Revised Payment Service Directive (PSD2) opens the European banking industry and payment services for new actors, entailing changes for regulators, bank customers, banks, and FinTech companies.

losing tasks not only to the new transfers to the SC, but also to new technology. This expectation increased the acceptance and legitimization of change being indisputable because *something* will eventually happen to their tasks. The managers also emphasized that the existing scope of offshoring and efficiency measures may not be to remain competitive moving forward and that FinCo needed to be prepared for additional change:

> "It is just the way it is. I guess when everything is going to be automated, it will be like this everywhere." (E9)

When the employees spoke about themselves in the future-oriented narratives, they mentioned that they searched for potential opportunities and benefits during and after implementation. They anticipated more rounds of transferring tasks or losing tasks to other efficiency measures but were not particularly afraid. Their focus was more on the opportunities of offshoring than on potential personal threats and negative consequences:

> "I assume we, at some stage, must give up this responsibility [E2's tasks] as well." (E2)

The employees were also optimistic about future career prospects, saying that opportunities frequently arise in an organization as large as FinCo. They emphasized how being an asset to the implementation process would be beneficial when applying to jobs in the future, as they were building competence and skills while documenting routines and training offshore staff. Additionally, the employees demonstrated that they have been "good sports" in a difficult process wherein they could have resisted, showing their engagement and commitment to the company:

> "We could fight it, but there is really no point in fighting it. I focused a lot on that in the department, because if we fight it, then we are… tainted…. If we are positive, then we will have positive goodwill later on since we are contributing." (MM4)

The employees connected the future-oriented narratives to a big-picture context to understand offshoring and their roles in the process. In these future-oriented narratives, they identified what they could gain through implementation although their existing jobs could be changed or lost, as well as the organization-level benefits.

4.2.3. Relational narratives

A relational narrative was also part of the constructive employee responses to offshoring. One might have expected tension between the employees, as the offshore employees were there to replace the onshore employees. However, there was minimal mention of resentment or reluctance toward the offshore employees. The onshore managers and employees explained how co-location during training and collaboration facilitated socialization, which seemed to erase the initial skepticism. The onshore employees would "change their minds" (E7) when being able to attach a face to a name:

> "When [onshore employees] first saw the people [from SC] and started working with them, they saw that it was 'going to be fine.' Collaboration with a human is much easier than collaboration with a name, or a country, or a service center." (SM2)

Notably, the offshore employees were viewed as colleagues similar to employees from other geographical locations in Norway. All the employees had to be committed to their employer, FinCo, and it did not matter whether an employee was located in "Paris or Tromsø" (SM2). Establishing and maintaining a shared identity helped avoid the growth of a "those over there" mindset and avoid labeling offshore employees as foreigners or external workers. This mindset was believed to potentially create division and rivalry among the employees, which may obstruct the transfer efforts and organizational benefits from offshoring:

"The [onshore] employees would get to know the [offshore] employees and not say things like 'those over there.' As I usually say, 'Those over there are just like you and me. They are colleagues working in another place!'" (E9)

With a relational narrative, the onshore employees explained that they were protective of the offshore employees. They did not blame the offshore employees for downscaling activities and potential of job loss and emphasized that "It is not like those at the SC have asked for this" (E3). The SC employees were hired to do a job in the same way that the HQ employees were, and they were not at fault for the potential consequences that the HQ employees may face:

"[Offshore] employees have been hired to do a job. It is not they who have decided to take our tasks and responsibilities." (E7)

The relational narrative was mobilized when the onshore employees spoke about interactions with other onshore employees. In instances where the offshore employees unfairly received harsh or unkind feedback, the onshore employees spoke up by contacting the specific employee or their supervisor with questions like "Is this how you talk to a colleague?" (E3). Defending and protecting an offshore employee was what would normally be done for any colleague, regardless of their geographical location. Such a climate of harsh comments from other departments was not uncommon and was not necessarily personal but may rather stem from efficiency pressures and customer demands. Nevertheless, the onshore employees believed that it is their responsibility to speak up regarding such behavior and to protect and defend the offshore employees.

In addition to defending and protecting the offshore employees, the onshore employees took them under their wings also when it came to language-related issues. The onshore employees helped the offshore employees decipher emails, which was a source of amusing language lessons. One instance was when an offshore employee came asking about what "being

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fed with teaspoons" meant, as they could not understand how this related to the inquiry. Laughing, an onshore employee explained that this was an idiom equivalent to "spelling it out for you," implying that the sender of the email requested a more elaborate explanation. The onshore employees continued to translate unknown phrasings. At one point, a worried offshore employee thought they had made a terrible mistake because the sender called them "a knot." Being called a knot was, however, not an insult but rather a term in Norwegian used for thanking someone for being helpful. These anecdotes illustrated the trusting relationship between the employees, as the offshore employees asked questions without worrying about being penalized for doing something wrong or having to prove themselves to their onshore colleagues.

Close relationships were built among the employees. The onshore employees expressed their investment in the offshore employees and took pride in seeing how the offshore employees were succeeding in their tasks. The onshore employees even reflected on how "their" employees from the SC might be smarter and more effective than others. However, they did not take credit for the offshore employees' performance although they have trained them. This narrative details a personal connection; the onshore employees expressed a sense of ownership and happiness toward the offshore employees' development, particularly toward those working with "their" tasks:

> "We did call them ours after a while. There have been several transfers, but they were 'ours from the SC'…. We just thought they were so good. I almost think they were better than the others, to be quite honest." (E10)

Some employees even talked about a development of motherly and grandmotherly ties between the onshore and offshore employees. This bond was partly attributed to the age differences among the onshore and offshore employees and to the fact that many of the onshore employees involved in the transfers were women. However, the grandmotherly relation related

to more than a generational gap. The previous quote illustrates this relation, as the offshore employees were called theirs and complimented without a motive. The onshore employees expressed feelings of pride and fondness, as one may argue grandmothers might have as well. Saying "Of course we get some love for them" (E6) is not the first response one would expect from employees being tasked with training their replacements. The quote above continues to describe the special relation when reminiscing about being reunited with offshore employees after a transfer:

> "Another colleague and I went to the SC together [after about a year], and when we came, they came running and threw themselves at us for a hug. So, it has to be something, right? And we could be both the mother and grandmother to both of them…." (E10)

In the relational narrative, the value of socializing between the onshore and offshore employees is expressed through the close connection between them during offshoring. Getting to know each other seemed to reduce the potential cultural barriers and build trust. During training, one onshore employee mentioned how the offshore employees were at first careful and apologetic when asking questions. This differs from the informal Norwegian style of asking for help. After getting to know each other and establishing trust, the offshore employees built up the confidence to ask the onshore employees questions more readily. Such close collaboration hindered the growth of an "us versus them" mindset, which may have been a result if the offshore employees were alienated and not integrated with a shared identity as FinCo employees. Their relations were beneficial in the transfers, as investment in the relationships contributed to tasks being successfully transferred.

In sum, employee narratives characterized by being rational, future-oriented, and relational are expressions of constructive and supportive employees.

4.3. Managerial and organizational support

4.3.1. Legitimizing change

The organization legitimized the choice of establishing a captive center and initiating the offshoring strategy. Industrial trends related to new technologies and regulations were drawn up as drivers for internal change to stay competitive. Competitors also launched initiatives to reorganize and improve their operations through outsourcing, offshoring, or technology investments. The trends were by employees connected to the CEO's statement about the future state of FinCo and the possibility of reducing the workforce by half over the upcoming years. Creating links to the industry seemed to influence the employees' rational narrative by shaping the understanding of the motives for change. The onshore employees appeared to accept the fact that offshoring and the SC were a legitimate and long-term effort, through their elaboration on the organizational benefits of offshoring and FinCo's investments in training and physical SC facilities. They even highlighted the wage difference between themselves and the offshore employees as an important factor in why offshoring was an ideal business decision for FinCo:

> "There are about three [offshore] employees to one [onshore] employee, so we understand that it is a great business case." (E8)

The decision to establish the SC was made by the top management team. The employees perceived this decision as a signal that management expected that the offshoring strategy would be successful. FinCo's investments in local physical facilities and local employees were further perceived by the onshore employees as signals of top management support, legitimizing the strategy. With Norwegian as the working language and offshore employees receiving language training, a wider range of tasks became eligible for transfer, underscoring a long-term commitment. One manager explained that the offshore management was extremely careful to

show early successful transfers because this would contribute to creating legitimacy for the SC. These early successes, wherein services meet the expected quality standards at a reduced cost, attracted new transfers. Through managerial and organizational efforts to connect offshoring to the industry trends, being transparent about the business case, top management support, and investment, the employees accepted the change as legitimate.

4.3.2. Creating transparent processes

In general, when a task is successfully offshored in FinCo, this means that the onshore employees may be out of a job. Respondents with managerial responsibilities detailed the efforts that they and the organization made to ensure that the employees' well-being was preserved under this uncertainty. Although it was argued that the offshoring strategy did not result in downsizing, the number of onshore employees in the affected units decreased. Employees at operational and managerial levels had to apply for new jobs, either internally or externally, apply for severance packages, or opt for early retirement. To preserve the employees' well-being while ensuring efficiency in new operations, transparent routines, human resource best practices, and job safety were important. As explained previously, the decision to transfer a task was made by a workgroup comprising senior managers and employee union representatives. The onshore employees seemed to trust this workgroup and did not question their decisions. The employees usually described decisions as a cutoff point and stated that "when the decision is made, we stop being negative" (E9). With a detailed and systematic approach to transferring tasks, expectations were clearly communicated to both onshore and offshore employees, bringing about transparency to this part of the process.

It was also emphasized that the employees "lose their task, not their jobs" (MM3). Through human resource practices, the organization strived to support the employees who have lost their tasks by providing alternatives. FinCo offered reskilling programs, coaching,

assistance with writing curricula vitae, and assistance with applications. The onshore employees were also able to transfer to a job center that functions as an internal short-term staffing agency. Such organizational support provided through the job center was perceived as reducing potential negativity and resistance, as it provided job safety during the process.

Another part of creating a transparent process was related to communication. The managers continuously informed and explained change and offshoring to their employees. Initially, one selling point of offshoring was that the SC would provide a "higher quality at a lower cost." This message, however, was not well received. The onshore employees found the message hurtful because they interpreted it as an insult to their 10 to 40 years of performing their tasks. The managers later refocused the message that the tasks will be delivered from the SC in an *equally as good* manner. Being attuned to how employees receive the managerial communication and adapting the message to reduce vulnerability and insecurity among the onshore employees contributed to maintaining employee well-being and showed that the process was open to input.

In sum, managerial and organizational support contributed to legitimizing offshoring and created a transparent process for the employees to relate to. Change was legitimized by being connected to maintaining competitiveness and by top management support, and FinCo's attempts to ensure that they took care of their employees with supportive processes during offshoring.

4.4. Outcomes

After its establishment, the captive center strengthened its capabilities to be able to receive a wider range of tasks. It should be noted that employee participation in the early transfer processes enabled FinCo to improve its operations at home and maintain the value of the offshoring strategy. This points to a successful implementation of the SC. In addition,

employee well-being was maintained during offshoring, expressed through their engagement in the transfers.

4.4.1. Successful implementation

By transferring tasks to the SC, FinCo captured the desired value and benefits of the offshoring strategy. Costs were cut and quality was maintained in the service offerings. Early successful transfers set the stage for future transfers, and the onshore employees involved learned the success factors and the potential pitfalls. Being diligent when describing and documenting routines and setting clear objectives and expectations for the training period were highlighted as important to successfully transfer a task. Documenting tasks also had a positive spillover effect for improving processes by making sure the best practices were followed by all the employees. A pitfall was taking the transfer process lightly. Both the onshore employees and managers expressed that the SC improved at articulating what *they* needed to ensure a successful transfer, establishing a capacity to receiving tasks. Because the captive center had accumulated competence to receive tasks, the offshore employees and managers could take more responsibility and be active in collaboration to secure successful transfers.

Having a close collaboration between the onshore and offshore employees was helpful because communication and interaction improved by having connections at the employee and managerial levels. This collaboration was important in supporting the SC's growth from 50 to approximately 300 employees within its first years of operation. The offshore employees now take it upon themselves to locally train new staff for entry-level tasks, to not rely on onshore resources to transfer "the same" tasks again to new offshore employees. With this growth in number and in offshore employees' competence, there is capacity for offshoring more complex tasks. This can increase the potential for cost savings and increase the value of the offshoring strategy, by transferring more positions from home.

In sum, the benefits of offshore task production with reducing costs, continued successful transfer of tasks, and the increase and continuous development of the offshore employees are all indicators of successful implementation.

4.4.2. Employee well-being

Being successful in offshoring hinged upon having successful transfers, as well as motivating the onshore employees to contribute to transferring tasks. As discussed, FinCo took steps to ensure that the employees had alternatives when their tasks disappeared, such as taking on other tasks, relocating to the job center, or opting for early retirement. This showed an effort to support the employees and their well-being. Additionally, the employees themselves also took agency to maintain their well-being. They addressed offshoring by seizing opportunities and tried to make the most out of the situation that they were in. By accepting the change and mobilizing toward contributing to the implementation activities, they were able to stay focused on improving the transfer process and creating an ideal experience for all parties involved, including themselves and the offshore employees:

> "[Motivation struggles?] No, not at all. I feel it has been the complete opposite, that we have just decided to… to, yes, do our best to make them better. It is just the way it is; you just have to do it. If you are just going to sit there and be upset and bitter, then it will not be a nice experience." (E6)

The onshore employees described their participation in the offshoring process as being a valuable and educational experience. They were eager to keep contributing to the transfers although this meant that they will again be transferring their own tasks. Those who were involved in the transfers served as role models for other onshore colleagues who did not participate extensively. One employee who was involved in an ongoing transfer process described that there was a debate in the department about going to the SC to contribute in some

training sessions. There were no issues finding volunteers, but this employee was rather afraid that they would not be able to go since they have gone before. Other employees described the training as a fantastic experience they would not miss.

5. Discussion

5.1. Main findings

In this section, I will discuss how rational, future-oriented, and relational narratives influence offshoring implementation and outcomes. I draw on insights from the literature on organizational change to understand constructive employee responses to offshoring. The model in Fig. 2 describes the factors that foster supportive employee responses to offshoring.

INSERT FIG. 2 ABOUT HERE

This model illustrates the central role of employee responses in successful offshoring. Supportive and constructive employee responses are characterized by specific change narratives. Theory suggests that narratives are discursive constructions that can help actors make sense of a situation and that narratives can be mobilized to resist or support change (Vaara et al., 2016). In this offshoring case, the employee narratives were characterized by the acceptance of the offshoring initiative (rational narrative), an identification of individual and organizational future benefits (future-oriented narrative), and an emotional investment and attachment toward SC employees (relational narrative). The narratives were not competing stories of how change was perceived (Buchanan & Dawson, 2007) but rather captured coherent narratives with the nuances of employee responses over time.

Rational narrative. The employees expressed acceptance of change by integrating the offshoring strategy as the status quo, treating it as an indisputable decision, and being determined to make the most out of the situation. With trust in the organizational processes

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leading up to the decision to establish the captive center and the selection of tasks to transfer, the employees perceived the change as inevitable and claimed that being negative toward the process would only harm them. The rational narrative was in this way mobilized by the employees to support and implement change (Vaara et al., 2016), as well as maintain their own well-being by making the most out of the situation. Managerial and organizational efforts were successful in communicating the need for change, creating a shared understanding of the necessity of being successful in implementing the offshoring strategy. The employees adopted the organization-level objectives as their own and through this aligned the organization- and individual-level goals (Zimmermann & Ravishankar, 2016). The rational narrative also supported the emergence of the two other narratives (Piderit, 2000): the accepting attitude based on offshoring being a rational decision, contributing to a future-oriented focus rather than a regressive one, and a constructive relationship with the SC employees although they were hired to replace the HQ employees.

Future-oriented narrative. The employees made sense of offshoring with a future-oriented narrative to understand their role in offshoring and how the organization benefits. Similar to a progressive narrative (Sonenshein, 2010), a future-oriented narrative seems to mobilize employees to take on tasks to reach the identified objective of the strategy. By anticipating future opportunities and threats, the employees adopted a "big-picture" perspective similar to what Sonenshein and Dholakia called a *strategy worldview* (Sonenshein & Dholakia, 2012). Adopting such a "big-picture" perspective offered the employees the opportunity to see how they had agency in shaping future organizational competitiveness.

In the future-oriented narratives, the employees also identified personal future opportunities for themselves as well as future opportunities and threats for the organization. Communication from the CEO and top management elicited a "sense of urgency" (Kotter, 1995), making the employees aware of the uncertainty related to their current positions. This

contributed to the employees accepting the premise of change being necessary, as reflected in the rational narrative, while hindering dwelling on the past and rather focusing on what will happen next. The employees saw themselves building competence that can secure them interesting future jobs and leaving favorable impressions throughout the organization to create goodwill, which they may make use of later. The future-oriented narratives were, in that sense, self-centered, a coping mechanism to deal with change, which involved the employees finding opportunities to gain personally from offshoring. Still, the narrative remained connected to the organization-level objectives (Sonenshein & Dholakia, 2012; Zimmermann & Ravishankar, 2016), benefitting the organization and offshoring efforts. The organization also played a role in helping the employees focus on the future, by having processes and alternatives readily available for them, which created a sense of job safety and trust that they will be taken care of.

Relational narrative. The relational narrative captures the emotional investments and relationships that emerged between the HQ and SC employees. This emotional connection contributed to the establishment of a caring and highly involved relationship during the transfer of tasks. Generally, high involvement is regarded as a success factor in offshoring services (Jensen, 2009, 2012). In this case, such involvement allowed the employees to have a personally rewarding experience while transferring tasks. By being emotionally invested in their replacements, the HQ employees had a personal stake in making the SC successful. While Cohen and El-Sawad (2007) provided an illustration of how cultural discourse characterizes the relationship between onshore and offshore employees, this study provides an example of employees staying focused on collegial and close relationships rather than on cultural differences. With motherly and grandmotherly ties, the HQ employees took it upon themselves to defend and protect the SC employees and to prepare them to function on their own when the HQ employees leave or become repositioned within the organization. These relationships emerged through the social interactions and involvement of the HQ employees in the transfer

processes. With a focus on integrating the HQ employees in the offshoring transfer process and highlighting the SC employees as colleagues to FinCo's employees, the managerial efforts contributed to the emergence of the relational narrative.

These three-dimensional narratives show how responses to change are complex and nuanced and not coined to a single specific behavior or feeling. Piderit (2000) suggests that different dimensions of reactions can lead to ambiguous responses. In this case, however, the employees did not seem to express feelings of ambiguity, rather the three-dimensional narratives express employee being constructive and supportive. The employees were rational about offshoring and were future-oriented, and they developed bonds with their replacements. The narratives appear to have helped the HQ employees explain, justify, and implement change. Throughout the process, the managerial and organizational support contributed to shaping the employees' experience and narratives.

5.2. Theoretical implications

While previous research has emphasized the firm perspective of offshoring, it has underexplored the role of employees in offshoring (Zimmermann & Ravishankar, 2016). This study, hence, answers the call for adopting an employee perspective (Cohen & El-Sawad, 2007; McCann, 2014) by exploring the narrative underpinnings of constructive employee responses to offshoring. As such, this study contributes to the literature on offshoring by empirically illustrating the characteristics of employee narratives that contribute to successful offshoring and employee well-being, as well as by elaborating on the conditions through which such narratives emerge.

More specifically, the findings add three important contributions to the current literature on offshoring. First, this study highlights the important role that employees play in an offshoring strategy. It should be noted that the earlier literature on offshoring has predominantly focused on strategic-level issues, such as location decisions and governance models, and

pointed to implementation as a process in which internal challenges and hidden costs may emerge (Larsen et al., 2013; Manning, 2014). By adopting an employee perspective, this study portrays employees as important actors during offshoring, influencing the success of implementing an offshoring strategy. The results also show that when employees share an understanding of the rationality of change and can identify their role in the change initiative, they assume a constructive role to fulfill the firm-level objectives, although this may entail individual-level consequences, such as early retirement.

Second, this study contributes to a broader understanding of employee responses to offshoring. While the previous literature has primarily focused on negative reactions and challenges, this study identifies the factors underlying constructive and supportive employee responses during offshoring. Through the expressed narratives (i.e., rational, future-oriented, and relational), the employees expressed their understanding of and dedication to the offshoring strategy. They adapted the organizational rationale for offshoring as their own and found ways to make the most out of the situation. By accepting the initiative and viewing it as indisputable, they aligned their self-interest with the firm-level objectives. The emergent rational narrative captured how employees express their support and determination to be constructive in the process. Although the employees themselves are important in understanding the rational and future-oriented view of offshoring, the development of constructive narratives hinges on the support from the organization to provide the rationales behind the offshoring decision, provide sufficient backing to the initiatives, and offer opportunities that the employees may pursue.

Socialization between onshore and offshore employees is another aspect that contributed to the understanding of their constructiveness and support during offshoring. Through the relational narrative, the value of facilitating socialization among onshore and offshore employees is shown. In previous studies, the relationship between onshore and offshore employees during offshoring operations was often negatively framed or viewed as a

potential challenge (Cohen & El-Sawad, 2007; Manning, 2014). However, the empirical findings of this study, specifically the relational narrative, provide an understanding of the positive effects of nurturing the relationship among employees in an offshoring system. Not only can such relationships contribute to knowledge sharing (Jensen, 2009, 2012), but also they can help onshore employees find meaning and value in the mission of transferring their own tasks away.

Third and last, this study extends the knowledge on the managerial and organizational context that can facilitate constructive responses to offshoring. The narratives expressed by the employees echoed the managerial and organizational efforts during the implementation process. By emphasizing on communicating the rationale behind offshoring, investing in the captive center with local recruitment and language training, and relying on trusted processes to select tasks for transfer, the organization helped foster constructive responses. By doing so, hidden implementation costs were avoided (Larsen et al., 2013) and the employees were able to take on a constructive role and develop relationships with their replacements, contributing to successful offshoring implementation and employee well-being.

5.3. Managerial relevance

As a practical implication, it is suggested that when an organization attempts to implement an offshoring strategy, the onshore employees are included even if they stand to lose in the process. In general, managers can refer to this study for an example of how constructive employee responses can be fostered. As shown throughout the paper, the employees adopted rational, future-oriented, and relational narratives during offshoring, and their support contributed to successful implementation. Although the employees played an important role themselves, they operated within a context for which managers have set the tone. By communicating the rationale behind offshoring and connecting the initiative to an overall

strategy and industry trends, managers can highlight how onshore employee contribution to offshoring is beneficial for the continued success of their employer.

Furthermore, echoing the contribution of how the context is set by managerial and organizational efforts, organizations need to continuously focus on developing supportive processes. Creating and maintaining organizational supportive structures and processes is important to focus on not only during change initiatives, but also in between such initiatives. This study provides an example of the benefits of having practices that the onshore employees trust, which helps the employees accept and become constructive to offshoring. Human resource processes that create a sense of job safety can include having transparent routines during change, programs and plans for employee competence development, and training managers in connecting ongoing change initiatives to strategic objectives. Top management also contributes to this context by, for example, communicating the strategic direction of the company and how it relates to the industry trends and competition.

5.4. Limitations and directions for future studies

In the present study, offshoring occurred within organizational boundaries with the establishment of a captive center (Oshri, 2011). In instances where offshoring includes outsourcing to an independent service provider, other employee narratives may emerge and characterize the employees' responses. The effect of socialization might, for instance, not create such striking bonds between the onshore and offshore employees when the employees do not share an organizational identity by having the same overarching employer. Thus, managers must be careful while translating the knowledge from this study into their setting and evaluate how their employees might construct rational or irrational narratives or be future-oriented or regressive and how they will characterize their relationship with their offshore counterparts.

The present study also includes a peculiarity of offshore employees being trained in the Norwegian language as a prerequisite to work for the company. Although Norwegian is similar

to other Scandinavian languages, the usefulness of the language outside the captive center or outside Scandinavia is limited. The onshore employees, however, appeared to be impressed that the offshore employees were willing to learn Norwegian. However, in other contexts, the component of language might be different. If the working language is English, for instance, or another foreign language for the onshore and/or offshore employees, the socialization dynamics can change and other issues may be pertinent (Nurmi & Koroma, 2020). As an avenue for future research, instances of other offshoring constellations may be explored to investigate how different organizational belonging and identity may impact the relationship between onshore and offshore employees, as well as language dynamics.

Another limitation may be that the case is based on the Norwegian institutional context. Traditionally, Norway have strong employment regulations, and the company in question had friendly policies in place to protect its employees from direct layoffs as a result of the offshoring strategy. Exploring the implementation of an offshoring strategy in another institutional context may yield different results, if the firm is, for example, located in a country where the onshore employees face other conditions. However, current studies exploring employee experiences and motivation during offshoring have largely focused on the relations between UK and Indian locations (Cohen & El-Sawad, 2007; McCann, 2014), making this study within the Norwegian context an interesting addition to other Scandinavian studies on offshoring (Jensen, 2009, 2012). Future research can extend these findings by exploring other institutional settings in which the conditions surrounding the onshore employees are different.

This study has developed a theory on constructive employee responses to offshoring and suggested conditions that may foster rational, future-oriented, and relational employee narratives. This model of employee responses to offshoring can guide organizational and managerial efforts when implementing an offshoring strategy to secure successful implementation while also securing employee well-being.

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List of tables and figures

Table 1

Overview of respondents

Spring 2017	Fall 2017	Fall 2018
Senior Manager 1 (SM1) Senior Manager 2 (SM2) Middle Manager 1 (MM1) Middle Manager 2 (MM2) Employee 1, Strategy Function (E1)	Senior Manager 2 (SM2) Senior Manager 3 (SM3) Middle Manager 3 (MM3) Middle Manager 4 (MM4) First Line Manager 1 (LM1) Employee 2 (E2) Employee 3 (E3) Employee 4 (E4) Employee 5 (E5) Employee 6 (E6) Employee 7 (E7) Employee 8 (E8) Employee 9 (E9) Employee 10 (E10)	Senior Manager 2 (SM2) Middle Manager 3 (MM3)
Five introduction interviews	14 interviews	Two follow-up interviews
		Total: 18 respondents, 21 interviews

Fig. 1

Overview of the data structure

First-order codes	Second-order themes	Aggregate dimensions

- Justifying and accepting change
- Focus on the transfer decisions

→ Rational

- Organizational benefits
- Personal benefits

→ Future-oriented

→ **Employee narratives**

- No resentment or dislike of SC employees
- Grandmotherly and motherly roles
- Fond and caring relations

→ Relational

- Industry's competitive environment
- Top management support and backing
- Investments in the SC

→ Change legitimacy

→ **Managerial and organizational support**

- Representation in decision-making units
- Fixed transfer processes
- Losing tasks, but not necessarily jobs
- HR practices and offerings
- Job safety

→ Transparent processes and routines

- Capturing value
- Capabilities to continue transfers

→ Successful implementation

→ **Offshoring outcomes**

- Employees wanting to contribute again
- Motivated to sustain change
- Content with new jobs or retirement

→ Employee well-being

Fig. 2

Employee responses to offshoring

Managerial and organizational support

Offshoring

Employee narratives:
- Rational
- Future-oriented
- Relational

Successful implementation

Employee well-being

Employee responses

Outcomes

Appendix A. Data table with illustrative quotes.

Finding	Quotes
Initial skepticism	"We are measuring the use of resources for the tasks we are transferring, and we scale down at home. It is just how it is, because if we have spent 3.5 FTEs on the tasks that are being transferred, then we must cut 3.5 FTEs." (E2) "It is not like it's good news that you have to find something else to do since your job is being transferred, because that is, in reality, what we are told, and—losing the tasks you enjoy—it costs something to then be positive about what is happening." (E3) "There is no one who thinks it is fun to learn 'my department will be gone shortly.' It is not a good feeling." (E9) "It was pretty tough getting the message; we really did not see it coming. We thought other stuff would go first." (MM4) "I can think what I want about them taking our tasks and moving them away…." (E9) "It is not like they [HQ employees] are applauding what's going on." (E3) "Several employees were skeptical [and asked], 'Are these people going to take over the tasks? The tasks are way too hard. They can't do it.'" (SM2) "Some have pulled themselves away a bit, not being bitter or complaining, but not participating. Might say stuff like 'I won't bother to be part of that' and 'they aren't going to learn anything from me', those types of comments." (LM1)
Employee support	"Some were very negative at first but, toward the end, changed their minds." (E7) "The decision is made, so then we stop being negative." (E9) "It is just the way it is. We have to make the most out of the situation." (E5) "Some meet the challenge head on and say that we have to work with this, get started, and that it will work out fine." (LM1) "When they [HQ employees] first saw the people and started working with them, they saw that it was going to be fine." (SM2) "They [HQ employees] deal with it constructively and develop positive relations with the [SC] employees." (E3) "Of those who have said yes to contributing, they said that they would not be without that experience and that it has been super educational and exciting." (SM2) "They [SC employees] said, 'It is so sad that you are here teaching us all of this, and then you are losing all your tasks at home.' To this, I said, 'Yes, but that is how it is. It makes it important to me that you are learning as much as possible.'" (E9) "You put your honor into it." (E10)

Rational change narrative	"The decision is made; then we…." (E9) "When the decision hits…." (MM3) "You cannot really do anything about it…. I mean, oh my God, life goes on." (E10) "It is just the way it is. We have to make the most out of the situation." (E5) "They are [our] colleagues even though they are in another country. They are supposed to do a good job for our employer, FinCo." (E7)
Future-oriented narrative	"I see FinCo's thinking. It is just not here and now. It is long-term." (E7) "[The CEO] said we will have 50% fewer employees within the next years."(E7) "There probably won't be much [back-office] activity left here in Norway in the next 5–10 years." (SM3) "It is just the way it is. I guess when everything is going to be automated, it will be like this everywhere." (E9) "It will probably eventually come to it [transfer of specialist tasks] someday, because as we are transferring tasks, I assume we, at some stage, must give up the specialist responsibility as well." (E2) "So, the efficiency measures we are taking now are pretty good but not good enough. We must be even faster at becoming more efficient and increase productivity faster…. I think FinCo will be completely different in five years." (SM3) "I have been saying it has just been positive [when others ask about offshoring]. I have learned so much about myself and gotten more focused toward what is important for FinCo now." (E7) "I assume we, at some stage, must give up this responsibility [E2's tasks] as well." (E2) "We could fight it, but there is really no point in fighting it. I focused a lot on that in the department, because if we fight it, then we are… tainted…. If we are positive, then we will have positive goodwill later on since we are contributing." (MM4)
Relational narrative	"When [onshore employees] first saw the people [from SC] and started working with them, they saw that it was 'going to be fine.' Collaboration with a human is much easier than collaboration with a name, or a country, or a service center." (SM2) "The [onshore] employees would get to know the [offshore] employees and not say things like 'those over there.' As I usually say, 'those over there are just like you and me. They are colleagues working in another place.'" (E9) "It is not like those at the SC have asked for this." (E3) "[Offshore] employees have been hired to do a job. It is not they who have decided to take our tasks and responsibilities." (E7)

	"We did call them ours after a while. There have been several transfers, but they were 'ours from the SC'…. We just thought they were so good. I almost think they were better than the others, to be quite honest." (E10) "Another colleague and I went to the SC together [after about a year], and when we came, they came running and threw themselves at us for a hug. So, it has to be something, right? And we could be both the mother and grandmother to both of them…." (E10) "One employee has gotten really close to those at SC. So, it will probably be a bit strange when she quits. She has sort of been like a mother to them. She has been very welcomed [when visiting], and they have built a special connection." (E5) "Many of us have children at their age, so of course we get some love for them." (E6) "… You become fond of them." (E10)
Legitimizing change	"It is the reality we are living in, and we just have to deal with it and make the best out of it." (E9) "There are about three [offshore] employees to one [onshore] employee, so we understand that it is a great business case." (E8) "One of the easiest ways we can reduce costs is to transfer operational and administrative tasks to SC." (SM3)
Transparent processes	"When the tasks disappear, we no longer need the employees, and then they must be transferred to FinCo's reskilling program." (SM3) "When the decision is made, we stop being negative." (E9) "So, my task or my job has really disappeared, so [SC] has affected my tasks a lot. I have really worked my job away and contributed to it…. I will apply for a severance package early next year because my tasks are no longer here." (MM4) "With the job center and employees having some security with their income, this made things run more smoothly. If it had been the case that the tasks disappeared and the employees were on the streets after three months without pay, then there would be much more bitterness." (SM3) "The message of 'better quality at a lower cost' made HQ employees ask, 'Am I good enough?'" (SM2)
Successful implementation	"The change has affected us in a positive way, as we have become more structured. We are writing down what we are doing and making this into something positive by creating a foundation for continuous improvement. So, I think it has been positive, and the costs are significantly cut, by as much as about 65% for each service." (SM3) "It was important that they came to Norway and that they built some connections to make it more of an 'us' feeling because it can so easily become 'us versus them,' making it very important to get to know them and see each other because this improves the dialogue." (SM2)

	"When I started leading this department, we were 34 employees, and now we are eight, including me, and when we now transfer the next tasks, there will be four FTEs left." (MM4)
Employee well-being	"When you have worked in a section for 40 years and suddenly get the message that you are not allowed to work there anymore…, then it is not looking so good. But [HQ employee] got some coaching and is now [relocated to] another department, and we have never seen her as happy as she is today." (MM3)
	"[Motivation struggles?] No, not at all. I feel it has been the complete opposite, that we have just decided to… to, yes, do our best to make them better. It is just the way it is; you just have to do it. If you are just going to sit there and be upset and bitter, then it will not be a nice experience." (E6)
	"Being negative does not help us at all. You just have to get your hands dirty and do the best that you can, hehe, and you feel so much better about yourself, right, that you are trying? And… it is much, much, better…. There is no use in being negative because there is only one person who suffers then, and that is yourself." (E9)
	"I could almost wish that I would be able to go for a trip now as well, but it does not look like that [will be possible]. There are others who also want to go." (E8)
	"It was four fantastic months I would not be without." (E9)

Paper 2

Gaining and training a digital colleague: Employee responses to robotization

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Article

Gaining and Training a Digital Colleague: Employee Responses to Robotization

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Abstract

This study shows how introducing new technology can be like welcoming a digital colleague. Designed to mimic the actions of employees, robotic process automation is a technology that involves developing software robots to perform standardized tasks. Although beneficial for the firm, robotization may come at a cost for the employees, since the technology puts positions at risk by automating manual procedures. In this study, I used a case study approach to examine how employees responded to robotization in three organizations. The findings revealed that the employee responses were overwhelmingly constructive and positive. In addition to responding with a big-picture perspective and finding opportunities, the employees humanized software robots as new digital colleagues, with whom they developed relationships. The results discussed in this study contribute to understanding technology-driven change by empirically illustrating employees' multidimensional—affective, behavioral, and cognitive—responses to robotization, and the supportive context securing implementation.

Introduction

Recently, technological development has led many organizations to implement software technology in the form of robotic process automation (RPA), which automates

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work by virtually mimicking employee procedures. A key value proposition of RPA is freeing up the time of organizations and their employees by handling repetitive and rule-based tasks and work processes (Lacity & Willcocks, 2016; Lacity et al., 2015). Software robots are generally faster and cheaper than employees while delivering consistent, standardized quality. Although robotization may free up time and generate organizational savings, from an employee's perspective, it may feel threatening and involve uncertainty and potentially also loss, because technology can make employees redundant (Glikson & Woolley, 2020; Lacity & Willcocks, 2016; Schneider & Sting, 2020).

During robotization, organizations depend on their employees' ability and willingness to share task-specific expert knowledge (Lacity & Willcocks, 2016). Current research is, however, not clear on how employees may respond to such technology-driven change. One stream of research suggests that employees feel threatened by technology, as the new technology may cause them to lose their jobs (Glikson & Woolley, 2020; Schneider & Sting, 2020). Another stream of research suggests that employees respond enthusiastically and are pleased about their manual and repetitive tasks being replaced by technology (Lacity & Willcocks, 2016), and argues that technology can have an augmenting effect that strengthens employee positions (Raisch & Krakowski, 2020). One potential explanation for these conflicting findings is that different types of technology-driven changes have not been clearly distinguished in research on employee responses, yet technology can have very different implications for employees. Therefore, in this study, I attempt to clarify employee responses to technological-driven change by asking the following research question: *How do employees respond to robotization?*

Responses to change concern how the involved actors both understand and act on change expressed through thoughts, feelings, and behaviors (Balogun et al., 2015; Piderit, 2000). Rather than viewing employee responses in a bipolar manner as either supportive or resistant, the literature on change suggests that responses may be more complex (Ford et al., 2008; Oreg et al., 2011), multidimensional (Piderit, 2000), and may shift over time (Elrod & Tippett, 2002; Huy et al., 2014) or become more active or passive (Oreg et al., 2018; Sonenshein, 2010). Recent studies suggest that employees take agency and assume active roles during implementation (Bartunek et al., 2006; Sonenshein, 2010; Sonenshein & Dholakia, 2012). This active role is particularly important when introducing RPA as employees possess the task-specific knowledge needed to reach the desired organizational outcomes (Lacity & Willcocks, 2016).

This study was inspired by research observations at a Norwegian bank, North,[1] where I set out to explore how the employees handled the robotization of their tasks. Initial observations indicated that they responded in an overwhelmingly constructive and supportive manner while implementing their "digital colleagues." Connecting the empirical data to existing theory, I developed a model of employee responses to robotization based on the findings from North. I then replicated the approach to explore similar robotization efforts at two other Norwegian banks: South and West. Overall, the findings obtained across the three organizations

showed that the employees responded to robotization by adopting a big-picture perspective, finding developmental opportunities, and building relationships with their digital colleagues. With support from managers and the organization, the employees contributed to successfully implementing RPA and securing employee engagement.

This study contributes to research on technology-driven change by empirically showing how employee responses to robotization are indeed multidimensional consisting of three interdependent dimensions that reinforce each other. The study shows that new technology may provide opportunities for employees (Lacity & Willcocks, 2016); however, how these opportunities are perceived and pursued hinge on employee responses. In this case, humanizing the technology contributed to employees focusing on the new opportunities provided by the digital colleague, which was further facilitated by managerial and organizational support. This study also contributes to the literature on employee responses to change by emphasizing the often overlooked affective dimension (Bartunek et al., 2006), which I found contributed to the notion of humanizing technology by welcoming the new digital colleague. The study concludes with practical implications for implementation of robotic software and other technology-driven change.

Theoretical Background

Employee Responses to Change

Responses to change include thoughts, feelings, and actions through which the involved actors express their understanding and intentions to contribute to initiated change (Balogun et al., 2015; Piderit, 2000). With cognitive (thoughts), affective (feelings), and behavioral (actions/intentions) dimensions, responses can conceptually be viewed as multidimensional (Oreg et al., 2018; Piderit, 2000). Sonenshein (2010) described employees responding to change through resisting, championing, and accepting change, and each of these responses can be connected to cognitive evaluations (e.g., accepting) as well as intended behavior (e.g., championing). Oreg et al. (2018) argued that with a multidimensional view, behavioral responses have underlying affective responses. In their conceptual model, it is suggested that resistance, for instance, is accompanied by feelings of stress and anger and that there is an underlying excitement to change proactivity (Oreg et al., 2018, p. 69). Although the multidimensional perspective on employee responses has gained conceptual traction, there are few empirical studies covering these multiple dimensions.

Conceptualizing employee responses as multidimensional provides richness and a better understanding of employee experiences during change (Piderit, 2000). Change can evoke both fear and excitement and may have negative implications, yet still be evaluated as suitable and effective. For instance, employees may accept and support the notion that an unprofitable business unit is being closed down, but still feel upset or angry about organizational consequences and be sympathetic to those who will lose their jobs. The current literature further suggests that responses may shift over time, frequently with the expectation of employees moving from resistance to

acceptance and over time becoming supportive (Elrod & Tippett, 2002). However, opposite shifts have also been observed and described drawing on multiple dimensions of responses. Huy et al. (2014) described how a group of middle managers shifted from supporting change to overtly displaying resistance during the implementation of a radical change effort. Resistance was connected to shifts in their emotional responses and shifts in their evaluation of top-management legitimacy (Huy et al., 2014).

It should be noted that there exists a vast body of literature on resistance to change, as employee resistance has traditionally been argued a key hindrance to change (Ford et al., 2008; Huy et al., 2014). However, the assumption of employees being inherently resistant to change has been debated, with the acknowledgment that resistance may, like other responses, stem from different sources (Dent & Goldberg, 1999; Ford et al., 2008; Oreg, 2006). Resistance can be triggered if the change is perceived as a threat, a source of uncertainty or fear, or a factor that causes loss (Dent & Goldberg, 1999; Oreg et al., 2011; Rafferty & Griffin, 2006). If employees fail to see a place for themselves in the organization, they may resist a certain strategy that, in essence, will make them obsolete and place them at risk of losing their jobs (Sonenshein, 2010). Moreover, if they are unsure about whether they will master a new tool or technology, implementing new technology can evoke fear and potential resistance (Schneider & Sting, 2020).

Employee interaction is also a part of understanding how responses are shaped and shared during the implementation of change (Balogun & Johnson, 2005; Logemann et al., 2019; Sonenshein, 2010). Although personal preferences and individual dispositions influence how employees react to change (Oreg et al., 2011), as do collective sense-making through interactions with colleagues (Balogun et al., 2015; Huy et al., 2014; Sonenshein, 2010). Employees negotiate shared understanding of change in social interactions (Maitlis, 2005; Maitlis & Christianson, 2014), and share interpretive and relational contexts (Balogun et al., 2015). Emotional responses to change have been found "contagious" among colleagues, shaping the collective and shared responses among employees (Bartunek et al., 2006).

Thus, employees' thoughts, feelings, and behaviors related to change are not created in a vacuum. Rather, employees respond to both the content and process of change (Balogun et al., 2015; Oreg et al., 2011). Subsequent outcomes depend on the interplay among content, process, and context (Pettigrew, 1987). In the following, I elaborate on the change content, process and context, and outcomes of robotization.

Change Content: RPA Implementation

The change content sets the expectations of which responses may emerge in the process of change. In this case study, the initiated change is a technology-driven change in which tasks are automated using robotic software, referred to as RPA. Currently, examples of change driven by new technology are plentiful and may include a vast set of technologies, such as automated machinery for manufacturing and industrial use, advanced artificial intelligence, and virtual robots for automation (Glikson & Woolley, 2020). Studies on technological change have shown that new

technologies have repercussions on many aspects of organizational life, often representing change beyond the actual technology or specific change effort (Barley, 1986, 2015). Generally, using software to perform the manual and rule-based tasks of employees can, in a cost-efficient manner, improve operations (Lacity & Willcocks, 2016; Lacity et al., 2015). An implementation may, however; involve loss for employees, as their positions are placed at risk when their tasks are automated. On the one hand, employees are essential in the successful implementation of robotization since they are the key contributors of task knowledge. On the other hand, they contribute to making themselves redundant by robotizing their own tasks. Robotization is thus a type of change that potentially triggers responses of fear or loss and uncertainty of future employability.

Change Process and Context: Managerial Factors, and Organizational Factors

The process of change concerns how managers and organizations seek to successfully implement change while maintaining daily operations. Creating common ground can be vital for the implementation process, and managers can through sense-giving attempt to influence employees meaning construction to create a shared understanding (Gioia & Chittipeddi, 1991, p. 442). In general, sense-giving can reduce employee uncertainty during change (Gioia & Chittipeddi, 1991; Oreg & Berson, 2019; Sonenshein, 2010) and ease the implementation process because both the employees and managers share an understanding of the goals of the change as well as the context of implementation. Managers can construct different narratives to create this shared understanding. Sonenshein (2010) found that managers explained the strategic change by drawing on stability and progressive narratives to position change efforts. These narratives were used, or embellished, by the employees during the implementation efforts, influencing their understanding and responses to change (Sonenshein, 2010). Sonenshein's findings further revealed how different change narratives conveyed by managers were mobilized and used by employees, resulting in different responses, such as the championing of change or resistance to change (Sonenshein, 2010). However, employees do not automatically adopt their managers' communicated messages, but rather use managerial framing as a tool to create their own understanding (Logemann et al., 2019).

Participation can also influence employees' experience of the change process. Including employees in the decision-making and implementation, efforts can provide the employees with a sense of ownership and commitment to the change (Bartunek et al., 2006; Oreg et al., 2011). According to Bartunek et al. (2006), participatory processes positively influence employees' perception of gains from change, because participating employees typically identify more gains than non-participating employees. Through support systems and informal processes, other parts of the organization may also influence employee responses to change (Balogun & Johnson, 2005). Support from other organizational units or access to resources might be necessary to avoid a change being hampered during implementation (Kotter, 1995).

Change Outcomes

Change outcomes can be assessed in various ways and usually include organizational-level objectives to measure success. Reaching organizational-level goals involves fulfilling the rationale for introducing change. In the context of robotization, successful implementation involves objectives such as improving operations, reducing costs, and increasing the output quality, as well as giving employees enough time for more value-creating and complex tasks (Lacity & Willcocks, 2016).

Although organizations generally are concerned about achieving organizational-level objectives when implementing change, the consequences of change also pertain to other aspects of organizational life, such as employee relations and well-being. In this spirit, several researchers have explored the relationships between change and, for instance, employee job commitment and engagement, turnover intention, and personal well-being (Oreg et al., 2011). Arguably, change can have a depleting effect on the involved actors, calling for research on how change processes can be organized to be positive for the participating employees (Golden-Biddle & Mao, 2012). According to Golden-Biddle and Mao (2012), facilitating agency in change can foster implementation processes that strengthen employees through change, rather than having negative implications. During the implementation of a new technology, the employees' relation to their workplace and their well-being are relevant to change outcomes to consider, as employees may remain in the organization and have to collaborate with, and contribute to the continued implementation of, the new technology (Lacity & Willcocks, 2016; Schneider & Sting, 2020).

In summary, employee responses to change include their thoughts, feelings, and behaviors following a proposed change. Employee responses are influenced by the change content and processual aspects of change, such as managerial and organizational support. In the context of RPA, employees need to actively contribute by sharing task-related information with those developing the software system and they also need to provide input into the system. How employees respond to robotization is, however; still unclear, as previous research has suggested that employees can perceive robotization as either a threat or an opportunity.

Research Approach

In this case study, I examined the implementation of RPA in three Norwegian banks: North, South, and West. I pursued North as the first case and after being intrigued by the initial findings, I included South and West as part of the study as well with a replication logic in mind. With these three similar case organizations, I successively built theoretical insights through replication and comparison of how employees responded to robotization (Eisenhardt, 1989; Yin, 2014).

Research Setting

The financial sector is an interesting setting for studies focusing on employee responses to technology-driven change. According to a 2019 report, using technology, banks

have the potential to cut 30% to 40% of the costs related to manual back-office activities (Gujral et al., 2019), making technology-driven change a priority for many banks operating in an increasingly competitive environment. This study concerns RPA technology. RPA robots can perform tasks with certain characteristics through software, which interacts with multiple IT systems and are programmed to mimic the exact same steps an employee goes through when completing a task. To do this, tasks must be standardized and carefully described. Employees serve as important task experts on detailing how a task is performed before developers program the robots. It should be noted that an RPA robot is not intelligent and cannot deviate from the procedure that it is programmed to follow, or can it learn or update procedures as one might expect from more sophisticated technology with artificial intelligence and machine-learning capabilities.

All three case organizations are Norwegian full-service banks. North has traditionally reached a nation-wide customer base, whereas South and West are regional-based banks. In general, recent technological shifts have allowed for a wider customer base, since customers can be reached through digital channels instead of depending on local physical proximity. Such digital access to customers has, in part, facilitated an increased centralization and digitalization of customer-facing services, customer support, and back-office functions. All three organizations have recently implemented various cost-cutting programs, layoffs, restructuring, and other changes to improve their operations. RPA has been one of these initiatives, starting with initial projects as early as 2015 to 2016, with still ongoing processes.

All three organizations set up internal units with robotization mandates, called robotics units. These units comprised project leaders and business analysts who promoted robotization in the organizations and helped the operational units implement and integrate robots in the work processes. Project leaders, for instance, analyzed the robotization potential by assessing task complexity and relevant IT systems and then calculating the business cases for developing and maintaining robots. When a task was viewed as eligible and an ideal business case, the employees helped document it and the robotics units developed and tested the robot, eventually putting the software robot to work. In addition to reducing labor costs, the value of RPA was realized through the consistency achieved in quality, thanks to the elimination of human error and the improvement of production speed. For example, one of the banks reported improving a task's service level from three weeks to three days after implementing RPA. Although robots mimic human employees by going through the same process step by step, they have no downtime, need no sick leaves, and make no human error. Without special considerations, robots can work around the clock. Table 1 summarizes key information about the case organizations' robotics efforts and other organizational conditions.

Data Collection

The data collected for this study consists of interview data and internal documentation. Operational employees, managers, and robotics unit employees from the three

Table 1. Overview of Case Organizations.

	North	South	West
Traditional presence and size	Nation-wide bank 9,000+ employees	Regional bank 1,200+ employees	Regional bank 700+ employees
Startup of robotization initiative	2016	2015	2015
Organizational setup for robotization efforts	Internal robotics unit with project leaders and business analysts. Develop and maintain robots.	Internal robotics unit with project leaders and business analysts. Develop and maintain robots.	Internal robotics unit with project leaders and business analysts. Develop and maintain robots.
Explanations for robotization efforts and organizational conditions	North has, over time, focused on continuous improvements in operations with a goal of cutting costs. Robotization is connected to efforts to prepare for future demands and strategic efforts to become more technological as a company.	South is preparing for its operations to grow, as digitalization in the industry enables the company to reach new potential customers across the country. As South faces the same industry pressures of lowering costs, robotization enables the company to handle growth without adding more employees.	West is adjusting after recent processes with layoffs and structural changes. A period of cost-cutting has increased the workload for remaining employees, and robotization can help manage a growing volume of tasks. West has additionally initiated strategic efforts to become technological as a company.

organizations were interviewed. The respondents were specifically targeted for their participation in and knowledge about the robotization efforts. In general, interviewing respondents with different connections to the change process provides a full picture of implementation efforts and acknowledges change as a multi-authored process (Buchanan & Dawson, 2007). Although the study adopts an operational employee per-spective, interviewing managers and employees from other units (e.g., robotics units) provided a richer picture of the operational employees' workdays. All interviews were conducted at the organizations' offices in 2018 (North) and 2019 (South and West). The aim of the interviews was to investigate the employees' narratives regarding the change and implementation efforts (Czarniawska, 2004). The interview questions included asking the employees how they were involved in the robotization efforts, how the implemented robots influenced their daily tasks, and what the implications of robotization were for their unit and for the organization as a whole. The interviews were concluded by asking the respondents to reflect on what advice they would offer a friend or family member encountering RPA in their organization. The interview guide from the first interviews at North served as a blueprint but was further improved during the course of data collection and tailored to each interview to cater to the respondents' positions. For instance, asking an employee in the robotics unit about how robots influ-enced their daily tasks was not necessary.

Documentation from the organizations provided additional background information regarding how and why RPA was implemented and how it was communicated in the organizations. In addition to interviews and internal documentation, secondary data (e.g., media clips about the organizations and the industry, as well as RPA implemen-tation in other contexts) were collected to increase the contextual understanding and insight to the industry. These data helped in preparing for the interviews and analysis, writing up the description of the case setting, as well as triangulating findings from the interviews (Alvesson, 2003; Yin, 2014). All the collected data and verbatim-transcribed interviews were saved in the analysis software NVivo Pro 11 (QSR International) to gather the full case study database and aid the analysis process. Table 2 provides a comprehensive overview of the data collected and use in the study.

Data Analysis

The first step of the data analysis was to analyze the data collected from North. First, I wrote up descriptions of the employees' narratives, which helped provide an overview of the rich data (Eisenhardt, 1989). To explore the data in detail, I thematically coded the interviews. Coding the accounts of North's employees generated over 60 codes. To maintain a multidimensional view of the responses (Piderit, 2000), I paid attention to the employees' descriptions of affective, behavioral, and cognitive responses to change. It should be noted that, according to the literature, separating responses into affective, behavioral, and cognitive is more of a theoretical exercise than a practical one, since thoughts, feelings, and intentions are highly intertwined and interdependent (Lazarus, 1999). This was reflected by the accounts of the interviewed employees. Despite codes being related to the affective, behavioral, and cognitive responses

Table 2. Data Collection.

Source and type of data	North	South	West	Use in the analysis
Interviews: 34 semi-structured interviews with 32 members of the three case organizations. Approximately 580 single-spaced pages of transcribed material.	A total of 10 interviews: 3 operational employees, 1 manager, and 6 robotic unit employees.	A total of 14 interviews: 7 operational employees, 3 managers, and 2 robotic unit employees.	A total of 10 interviews: 4 operational employees, 3 managers, and 3 robotic unit employees.	Data presented in the analysis. Key source to explore employee responses to robotization. Establishes insights into employee responses, organizational conditions, and different actors' involvement in robotization.
Company information: Internal material and documentation, public communication, and company website.	Background interviews to set up a study. Strategy documents, internal presentations, press releases, and yearly reports.	Background interviews to set up a study. Internal presentations, documents, press releases, and internal articles.	Background interview to set up a study. Yearly reports, company presentations, and chief executive officer blog posts.	Data underlying descriptions of the research setting and organizational conditions. Data provide insights into the strategic direction of the companies, enabling connections to employees taking a *big-picture* perspective.
Other secondary data sources: Media clips about the organizations, industry, and digitalization trends.	Media clips about the Norwegian finance sector and company-specific mentions in the media. Industry-wide and specific initiatives on upskilling and reskilling, information on new regulations and trends within the sector (such as revised payment services directive [PSD2], digitalization, and robotization trends). Main sources included financial and business newspapers, company press releases, social media communication, and unions for companies/employees in the finance sector.			Data are useful for descriptions of the research setting and context-specific insights. These data sources provided information accessible to the employees through the public sphere during robotization and could have influenced employee accounts.

presented later in the analysis, the codes were not solely characterized by describing feelings, intentions, or thoughts. While assessing employee responses, codes such as *future opportunities* and *superiority to robots* emerged. These two codes described intentions to pursue new jobs and employees positioning themselves by feeling at a higher value than robots. In the later analysis, these codes were connected to two of the identified employee responses: *finding opportunities* and *relationship building*. Another code example was *dependency on robots*, which referred to accounts of when employees identified or described how dependent they were on new technology. In the later analysis, this was connected to how the employees humanized robots as digital colleagues and became part of the *relationship building* response. Although the guiding research question was about employee responses, I kept the initial coding open to other interesting aspects in the interviews. This allowed for codes such as *robot ownership* and *maintenance responsibilities*, which were themes that the employees discussed and related to the internal organization of maintenance and collaboration between the operational employees, robotics units, and the IT department.

As described earlier, I conducted interviews at South and West after being intrigued by the preliminary insights from North. Hence, I took the findings from North into consideration when starting the process of analyzing the data from South and West. Still, the first steps taken here were also to write up descriptions of the employees' narratives, which were overall useful and helped reveal the similarities across the three organizations. Analyzing the data from South and West in more detail revealed a similar storyline of employee responses to robotization, corroborating the findings from North. I continued to refine the understanding of how employees responded to robotization by relying on a similar coding scheme for all three case organizations. Lastly, I connected the codes to three overall responses employees expressed to robotization, as well as connected the codes to the supporting factors and descriptions of change outcomes presented in the analysis.

Some differences between the organizations emerged in the analysis. One instance, which is also described in empirical findings, was the degree of humanization of robots. For example, South made sure *not* to give the RPA robots distinct identities and to rather call them "the robots." This was explained as a precaution to avoid situations in which discontinuing a robotic process would be viewed as "firing the robot" and be negatively received by the employees. Therefore, while the South attempted to not humanize the robots, the *relationship building* aspect was still relevant, although this took a different form in the North, where the employees gave the robots names, such as "the terminator."

In the upcoming analysis, I present and discuss quotes from respondents across the three case organizations. Generally, using respondent accounts helps show how the findings and discussion are grounded in the data material and increases the transparency and credibility of the study (Creswell & Miller, 2000). Therefore, additional data are also offered in Tables 3 to 8, to show that findings are grounded in accounts from all three organizations.

Empirical Findings

In the following analysis, I draw on accounts from North, South, and West to show how the employees responded to robotization. I also present managerial and organizational supporting factors and the outcomes of robotization.

Initial Responses to Robotization

The employees pointed out that introducing robots to their work initially created a certain degree of skepticism and fear. The technology was new and created uncertainty related to employees' own competence to handle the technology, and some had high expectations of RPA's potential. The employees feared that robots could be effective at making their jobs redundant:

> I think that we all thought it was a bit scary, that suddenly we would no longer have a job and that the robot would take everything. But I have seen that things are progressing much more slowly than the management initially thought. (South Empl. 7)

However, the employees recognized that RPA was not (yet) sophisticated enough to threaten all of their tasks. The robots could perhaps mimic many of the employees' tasks, yet also allowed them to focus on other tasks. Moreover, from the viewpoint of the employees, the pace of development of robotics and the potential of more

Table 3. Initial Responses to Robotization.

Case	Initial responses to robotization
North	Few people have lost all their tasks because, as I said, a task is often part of a larger process. … However, if it is a larger task with great volume, there might be people who have lost their daily work, but, (there has been) mostly (the robots) free capacity and making sure that people can use their human brains more constructively than pushing the same 10 buttons again and again all day. (North Empl. 1)
	I think there was some skepticism in the beginning when there was not that much talk about it in the bank. Now I think people are realizing that it (robotic process automation [RPA]) is here to stay and that it takes away the boring tasks … but there are many who were happy with the old stuff as well. (North Empl. 2)
South	I think that we all thought it was a bit scary that suddenly we would no longer have a job and that the robot would take everything. But I have seen that things are progressing much more slowly than management initially thought. (South Empl. 7)
	Some might see (robotization) as an enemy and a threat but also that "the robot is not really anything, because it is not capable of much anyways." (South Empl. 1)
West	I think everyone was afraid when they heard that the robots were coming. Like, everyone started to "shake in their pants" thinking that "now they'll take our jobs." However, the way I see it, it has been positive for us because we see that the tasks that are routine and that are boring—those are the tasks the robots take. (West Empl. 3)

sophisticated technology seemed to not be rapid enough to become a legitimate competitor for the employees' remaining work. Therefore, any initial fear of threat or loss was soon replaced with more positive responses.

Employees Adopt a Big-Picture Perspective

Many employees viewed robotization as part of a larger scheme rather than just a strategy to alter their day-to-day tasks. In all three banks, the employees connected robotization to their organizations' overall strategies and described how change was customer-oriented and in line with the industry and societal trends. Introducing RPA was, in fact, in line with what the employees understood their organizations to be working toward to ensure future competitiveness. This cognitive response is labeled as adopting a big-picture perspective.

Many employees pointed out that having robots at work on a daily basis contributed to their organizations' overall strategies by involving new technology and enabling more rapid and improved services. The employees continued to perform traditional back-office tasks and serviced the customers both directly and indirectly. According to them, they were able to spend more of their time solving complex inquiries from customers since simpler inquiries were swiftly handled by the robots. Robots also enabled the organizations to more effectively handle growth and seasonal workload. As pointed out by a North employee, technology could become a source of competitive advantage, because robots have the potential to increase customer satisfaction by quickly solving simple inquiries while allowing the employees to focus on other tasks:

> The response time is where we have had the biggest effect of robotics. So, it is like we see in the financial sector now, which competitive advantage could one have? Most competitors have similar products and the same interest rates, so customer service is very important. (North Empl. 3)

Many employees also connected robotization to overall trends in the Norwegian financial industry and society at large and pointed to future industry demands creating an urgent need to change. Generally, the financial industry faces new regulations, such as the European Union's revised directive on payment systems, which opened up competition in payment systems, affecting the market and the entry of new and different types of competitors. With the increased demand for technology, there has also been an increase in the expectations of customers and business partners for the pace and availability of services in the digital sphere. Therefore, for the case organizations to compete and survive, the employees acknowledged that their way of working had to be reevaluated. Employees also attached the change that they experienced to a societal perspective, by reflecting and comparing robotization and automation to other industries. Automation affecting traditional manual and physical industries was cited as an example, with the reflection that it was "just a matter of time" before similar initiatives started to affect the financial sector as well:

Table 4. Employees Adopt a Big-Picture Perspective.

Case	Big-picture perspective
North	The response time is where we have had the largest effect on robotics. So, it is like we see in the financial sector now—which competitive advantage could one have? Most competitors have similar products and the same interest rates—so, customer service is very important. (North Empl. 3)
	It is easy to think that this only happens in the North when you sit here, but it does not. The same thing is happening everywhere else, at least in banking and finance. (North Empl. 3)
South	There were robots in other industries before they came into the bank. The same thing that is happening in the bank happened in the first businesses many years ago—that a robot picked up a component and put it into place. So, you can say that it was not really a surprise for me that robots would come into this sector as well. (South Empl. 2)
West	For the bank, I think it is positive that they are allocating resources to get more and more (tasks) in the robot. For the customer, it is better that they get things fixed than that their inquiries are queued for manual processing. For the customers, it is much faster, usually. (West Empl. 1)
	I think that if you do not have anything to do in five years because of automation, then you would not have a job without it (automation) either because we would not be competitive. So, the way I see it, we are completely dependent on this. We are dependent on automating; without it, we might as well close down in five years. (West Empl. 2)

> I think that if you do not have anything to do in five years because of automation, then you would not have a job without it [automation] either because we would not be competitive. So, the way I see it, we are completely dependent on this. We are dependent on automating; without it, we might as well close down in five years. (West Empl. 2)

It can, hence, be concluded that the employees adopted a big-picture perspective when evaluating the change initiative and connected robotization to overall strategies and trends. This mindset appeared to represent a cognitive response to the change initiative.

Employees Find Developmental Opportunities From Robotization

Many employees were able to find a number of opportunities to develop and benefits that they could take advantage of, representing a behavioral response to robotization. This included reaping the benefits of how robotization alleviated their workload, facilitating personal growth, and creating professional and developmental opportunities to pursue:

> I think it is important for everyone to have an understanding of what [robotization] is, so you do not just see it as a threat but can identify the other benefits of the process. (North Empl. 2)

Overall, the robots were capable of performing tasks that the employees described as boring, physically harmful, and repetitive. These were tasks such as copying

customer information from one system to another or generating reports drawing on data from several systems. By being alleviated these tasks, the employees felt that they themselves became "less of a robot" (West Empl. 1). Robotized tasks were usually characterized as routine and repetitive, and excelling at them was not an impressive achievement. Even the managers explained how tasks can be tedious and, further, physically and mentally harmful, as exemplified by a manager from South (South Mgr. 2): "Tasks that physically hurt—I mean just click, click, click— it adds so little to me." Hence, reassigning those tasks to robots was a step toward thriving more at work by freeing up the employees' time to perform tasks that challenged them:

> If we did not have robot, then we would have to spend our time on all the simple standard reoccurring procedures. (West Empl. 2)

However, many employees acknowledged that they would have to find and learn new tasks to ensure that they would keep their jobs. These new digital colleagues enabled, and sometimes forced, them to develop new skills to pursue new professional opportunities. With more time allocated to continuous improvement and development of remaining tasks, the employees were able to develop specialized skills or build competence by performing new tasks. They could, for instance, pursue opportunities in other business areas by upskilling or reskilling or perhaps take on more complex tasks in their own department. As robotization influenced the ways of working, by

Table 5. Employees Find Developmental Opportunities From Robotization.

Case	Finding developmental opportunities
North	I think it is important for everyone to have an understanding of what (robotization) is, so you do not just see it as a threat but can identify the other benefits of the process. (North Empl. 2)
	Personally, I like to have tasks that challenge me or let me grow. And thinking about everything I do today that I think is a bit boring, if something or someone else can do it … Be my guest. (North Empl. 1)
South	For me, I am glad to not have to do all the brain-dead work that is not fun and does not give me anything—just moving paper. Getting rid of that should make people thrive. (South Empl. 1)
	When things are robotized, the remaining people must know everything A to Z, not just one specific task. You must know everything. And I think that is some of the upskilling one needs. You actually have to know much more to handle the tasks that are left. (South Empl. 6)
	I said to my boss that "when I have automated a full year's worth of work, I have automated myself out of this department. Then I won't work here anymore." Haha. So, I have seen robotization as a career path. (South Robotics Empl. 2)
West	I feel that we have become less of a robot to put it like that. (West Empl. 1)
	If we did not have robots, then we would have to spend our time on all the simple standard reoccurring procedures. (West Empl. 2)

combining operations and technology, the employees were able to identify new opportunities and career trajectories that were beyond their current competence levels. For example, a robotics employee in the South told their superior that when the tasks were robotized, they would pursue a new position:

> I said to my boss that "when I have automated a full year's worth of work, I have automated myself out of this department. Then I won't work here anymore." Haha. So, I have seen robotization as a career path. (South Robotics Empl. 2)

Several employees reported that being alleviated of boring tasks and being able to identify opportunities to take on new and complex tasks was useful for them to focus on in the process of robotization. This response had a behavioral dimension, as it involved the employees' actions and intentions to take on new roles and take advantage of the identified opportunities to develop their skills.

Employees Build Relationships with Digital Colleagues

Implementing RPA did not involve any physical or visible robots. Robotizing tasks technically involved the programming and development of software that interacted with different systems to automate tasks. Still, the employees described the software as digital colleagues, expressing an affective response to robotization characterized by humanization and positioning.

> He is definitely a good colleague of ours whom we have a lot of trust in, and we are completely dependent on him to do the job we do. (North Empl. 2)

Building a relationship with the digital colleague appeared to be helpful for integrating robots into the workday. At North, the robots were given names connected to identities, inspired by the tasks they performed; for example, RoboCop monitored prices. Another robot was given the name Ophelia, with a reference to the Greek meaning of the name, "help." A third robot was named after an employee who retired when the robot became functional. Some employees named a robot Roberto, and they pictured him as a person relaxing at the beach instead of performing the tasks that he was designed for:

> Because, in the beginning, there was so much trouble, which there usually is, it was not just about our robot; it was about the whole system. In the beginning, there were a lot of errors, so Roberto…. We pictured a beach bum at the beach drinking drinks and not doing anything. (North Empl. 1)

It should be noted, however, that at South and West, humanization and distinct identities were not expressed in the same way as at North. Nonetheless, the employees at South and West built relationships with the robots as digital colleagues even without the same extent of personalization. At West, none of the employees made up elaborate

robotic identities and most of them just called it "the robot." Still, a malfunctioning robot was given human-like characteristics when being described as sent to rehab to become an improved colleague:

> It was someone who started it [calling the robot by name], and it was a period with a lot of mistakes, so robotics sent the robot to rehab, haha, to restart it. Now the robot has become like a good colleague. (West Empl. 2)

At South, the employees generally referred to the robotized processes as being performed by a singular robot like at West, without distinguishing that they had several licenses and processes running in parallel. The management deliberately tried to keep the technology general with the rationale that they wanted to avoid "laying off robots" later on should they become obsolete. Therefore, although the robots at South and West did not have personalized identities, they were given human characteristics, by being described as going to rehab or as employees who may potentially be laid off.

North encouraged its employees to give robots personalized identities. A robotics employee from North pointed out that they viewed personalization as a potential reminder of ownership and the need to keep track of the robot's performance. Personalizing robots could remind operational units that they had digital colleagues. Still, such personalization originated from the employees themselves and was not imposed on them as part of the implementation process. One example is provided by a manager who explained how a toy robot was displayed by the employees every time a digital colleague joined the department:

> Someone has bought [physical] robots as we have gone along, so every time they have gotten a new robot, they put up a new robot with a name. And we have talked about doing a bit more when one comes along. This is a new colleague. We have done that a few times, put it out on the intranet and written "new colleague in the department," and his name is, yes, Terminator or whatever its name was. We sort of have to do something because it really is a colleague. (North Mgr. 1)

Several employees experienced busy and hectic workdays, and having digital colleagues integrated into their workday was practically viewed as the arrival of the savior. Describing robots as valuable digital colleagues that acted as saviors to meet the objectives is an expression of how robots were integrated into the work environment. With robots, the employees had time to perform the tasks that they were supposed to but did not have sufficient time for, and they could more effectively meet the operational goals of pace and quality. Freeing up time in this way provided professional opportunities that employees could take advantage of, as previously described. The following quote exemplifies how the digital colleague took on "assembly line" work, allowing the employees more time for complex tasks:

When the robot takes care of the assembly line work, then we can do an even better job at those things demanding a human brain. (South Empl. 5)

When building relationships with robots as digital colleagues, the employees evaluated the robots' characteristics and positioned themselves in relation to them. The technology was not as sophisticated as the employees initially thought or feared, and this reduced the threat that the robots posed to the employees' positions. The employees viewed themselves as superior to these digital colleagues. Some employees called the robots stupid and classified the tasks of the robot as boring and brain-dead. Employee perception of the robots' limitations appeared to fuel the feeling of superiority, and as a result, employees viewed their positions as more valuable. The digital colleagues were very static, unstable, and vulnerable to change compared to employees who were able to quickly adapt. Hence, the employees claimed that their organizations would still need employees like them to tell the robots what to do and how to perform tasks in the future:

I do not think robotization will affect my job directly, but I think it will affect the organization. The way I experience it now, it is more and more relevant with personal communication with the customers. I do not see potential in the robot to do just that. (West Empl. 3)

Feeling superior to robots enhanced the employees' self-evaluation while also establishing dependencies in their relationship. The employees believed that they were valuable because they performed more complex tasks and served as a backup for their digital colleagues. For instance, if a robot was unable to perform tasks or had many deviations in its work, the employees who knew how the processes were connected would have to clean up after the robots. Such cleanup was important to adhere to service-level agreements and uphold quality but came at the expense of the employees' other tasks. According to the employees, monitoring the robots was important for them because their workday became affected if the robots did not perform their tasks as planned. For instance, a North employee commented that they checked each morning to see whether or not the robot had performed adequately:

Every morning we check what the robot did last night and, yes, if it has given us a good start on the day or a bad start. (North Empl. 2)

In summary, the employees across the organizations expressed similar responses to the robotization of tasks. The employees adopted a big-picture perspective by viewing change as part of the company's overall strategies in line with changes in the business environment. Second, the employees identified the benefits and developmental opportunities of robotization that they could act on. Third, the employees created relationships with the robots, which involved humanizing them as digital colleagues and positioning themselves as employees in relation to their digital colleagues.

Table 6. Employees Build Relationships with Digital Colleagues.

Case	Relationship building
North	He is definitely a good colleague of ours whom we have a lot of trust in, and we are completely dependent on him to do the job we do. (North Empl. 2) We may adapt; the robot cannot. So, it is very vulnerable. It is not or it will not ever be a stable solution in our scope. (North Empl. 1) Every morning we check what the robot did last night, and, yes, if it has given us a good start on the day or a bad start. (North Empl. 2) Because, in the beginning, there was so much trouble, which there usually is, it was not just about our robot; it was about the whole system. In the beginning, there were a lot of errors, so Roberto … We pictured a beach bum at the beach drinking drinks and not doing anything. (North Empl. 1) We do not name them. But the business units often do. It is a nice thing; we usually say name it because it is sort of … It is not just a number and a digit. It is something that makes you remember. "Have we checked Kari today?" Or "have we checked Ola?" It becomes something it is referred to, and it has a good effect when it comes to ownership of the process and follow-up of the robot. So, it actually has an effect. (North Robotics Empl. 1) Someone has bought (physical) robots as we have gone along, so every time they have gotten a new robot, they put up a new robot with a name. And we have talked about doing a bit more when one comes along. This is a new colleague. We have done that a few times, put it out on the intranet, and written "new colleague in the department" and his name is, yes, Terminator or whatever its name was. We sort of having to do something because it really is a colleague. (North Mgr. 1)
South	When the robot takes care of the assembly line work, then we can do an even better job at those things demanding a human brain. (South Empl. 5) You see that a robot is so static that a small change in a document, a small change in a legacy system, forces you to change the robot because it is completely … [stupid]. (South Empl. 6) Somebody has to remain to make sure that deviations are fixed manually. Because you have to know the systems, you need a human sitting there who knows how everything connects. (South Empl. 6)
West	I actually experience that my people are positive, and that is because we are so busy that they think it is relieving that some things can go another way. (West Mgr. 2) I do not think robotization will affect my job directly, but I think it will affect the organization. The way I experience it now, it is more and more relevant with personal communication with the customers. I do not see potential in the robot to do just that. (West Empl. 3) It was someone who started it (calling the robot by name), and it was a period with a lot of mistakes. So, robotics sent the robot to rehab, haha, to restart it. Now the robot has become like a good colleague. (West Empl. 2) (We were told) "The robot is never sick. He works 24/7" … But the robot does get sick. Something might happen, and everything stops. So, it does get sick, and then you have some downtime since the systems are updating in the bank. (West Mgr. 3)

Managerial and Organizational Support During Implementation

Managerial Efforts. In all three organizations, the managers developed a receptive context for change by creating a shared understanding of the need for change. They also ensured job safety and facilitated a participatory process. Managers in all three organizations were transparent regarding the difficulty of predicting how their departments would be organized in the coming years. They promoted reskilling and upskilling initiatives and identified professional opportunities the employees could pursue in the organizations. At South, the managers designed a competence program in which the employees could take on or train for various roles with corresponding skill sets and courses offered. At North, many different initiatives focused on making the employees more mobile in the organization through e-learning, coaching, and short-term placements in other departments. These efforts not only aimed to enhance the employees' job safety but also encouraged the idea of the employees were more valuable to the organization than the robots. This contributed to reducing the threat and uncertainty experienced by employees and strengthened employees' ability to find developmental opportunities. The employees explained how their managers encouraged them to pursue other positions within the organization, demonstrating how the managers helped them identify new opportunities:

> You get the chance to do other things. People are urged to apply for internal jobs and change departments and look elsewhere. (South Empl. 4)

The managers facilitated knowledge sharing between the employees and the robotics units, creating a participatory process. This was important because the robotics units were mandated to drive robotization processes but needed access to employee knowledge. As exemplified in the following quote, facilitating involvement was important to drive the implementation of change because, with this facilitation, the employees seemed to better understand robotization and more accurately helped program the robots to meet the expectations:

> The employees are involved all the way, not just sitting on the sides but are driving [change] onwards themselves, which is extremely important. I think it gives another type of ownership; you will see the value in a different way. (West Mgr. 2)

Managers claimed that there were no layoffs as a direct result of robotization; the employees lost many of their tasks, but not their jobs. One reason for this was the growth in tasks, either in volume or in variety. This allowed the managers to reallocate the employees to other tasks. Another reason why no employees were laid off was natural attrition since those who retired or quit were not replaced. In summary, the managers balanced their responsibility to the department's performance and their responsibility to take care of the employees. They maintained this balance by creating job safety, communicating new opportunities and the need for competence, as well as facilitating a participatory process.

The Robotics Unit. To introduce robotization, all three organizations established internal units with robotization mandates: robotics units. These units were tasked with initiating, leading, and monitoring the robotization efforts in close collaboration with managers and employees from the operating units. The robotics units took on roles of change agents, acting as project leaders and business analysts, and, among other tasks, coordinated the collection of information from the employees. Being successful under their robotization mandates, the robotics units had to display their capabilities and value propositions to ensure that they could continue to robotize operational tasks at North, South, and West. One value proposition that the employees of the robotics units communicated was the need to free up capacity in operational units by automating simple and so-called boring tasks, an explanation that was present in the employee narratives of robotization:

> We only take the most basic [tasks], and it is not like people only have basic tasks. One has a range of tasks where the levels of complexity are different. And we aim for the simplest tasks, without evaluation, without anything. (North Robotics Empl. 6)

At North, employees of the robotics unit explicitly described themselves as a digital temporary work agency that served the internal needs of the organization: "We were clear that we are like a temp agency because employees have a lot to do" (North Robotics Empl. 4). Being internally organized was perceived as useful because this helped the robotics units build trust with the employees they collaborated with. Having an internal unit for managing robotization created a feeling of being on the same team, as all employees worked for the same organization and were part of the organization's long-term strategy. This collaboration further placed pressure on the robotics units to do an effective job, as the units had to engage employees and contribute to successfully integrating robots while maintaining a positive reputation when moving forward with robotization elsewhere within the organization:

> If you have a lot of employees who say, "It is only problems with the robot; he only makes mistakes," then it is obvious that you won't suggest automating your tasks. So, it is very important that the employees are onboard and engaged. (South Robotics Empl. 2)

All robotics units emphasized that they were readily available for the employees. Without having to go through managerial levels, the employees could contact these units directly about any questions they had or any changes or errors they discovered in the robots' work. The robotics units were careful to emphasize that the robots were strictly limited to doing what they were programmed to do and that the robots did not have fantasies of performing tasks incorrectly. Various ways were adopted to manage expectations and build trust. For example, at West, the robotics unit regularly invited the employee units to their offices for refreshments and to show them music videos of robots performing tasks. Both units emphasized that their relationship was constructive and positive:

> We talk to them on a weekly basis; they are after all just a couple of floors below us. And we see each other every day, so you do build trust. We have a good dialogue, and we really emphasize that as soon as they ask about or draw attention to something, we take them seriously. It is a part of building trust. (West Robotics Empl. 2)

The employees of the robotics unit were mindful of the threat that they posed to the employees with whom they were in contact with, and they acknowledged how dependent they were on the same employees to fulfill the robotization mandates and reach the goals of robotization. This led the employees of the robotics unit to frame robotization as a means to alleviate the employees of boring tasks and to make room for more exciting and complex tasks. Such framing of change contributed to showing the employees that they had opportunities to pursue from robotization:

> I think it is very important to have a humble attitude toward the fact that you are actually teaching a machine to take over someone's job. (…) you are completely dependent on the employees who are performing the task. If they are not contributing, the robot won't be able to perform the task. (West Robotics Empl. 3)

Organizational Conditions. Overall, North, South, and West were considered well-performing organizations. Despite having somewhat different internal starting points (see Table 1), the employees of all three organizations experienced demanding workloads with pressure to increase operational efficiency. In combination with managerial efforts, human resources (HR) systems developed upskilling and reskilling efforts that the employees could take part in. This contributed to employees' sense of job safety, through for instance offering courses for employees to develop new skills. At South, HR systematically tracked employee knowledge in different areas within the departments to avoid employees being solely specialized in tasks that were soon to be robotized or changed in other ways. Unions and interest organizations in the Norwegian financial sector encouraged and allocated resources for their members to build competencies for the future, which contributed to emphasize for the employees the overall competitive and changing environment their organizations operated within.

Outcomes

Successful Implementation. Within the last three years, North, South, and West introduced 50 digital colleagues. Depending on the task volume in each organization, these digital colleagues amounted to 17 full-time employees (FTEs) in the smallest organization and 60 FTEs in the largest one:

> When we see the division between what we do with humans and what we do with robots, we are at a 78% manual and 22% robot [capacity]. So, if the robots are discontinued, we have to put in 35,000 hours of temporary workers, new employees, or overtime. (South Mgr. 1)

Table 7. Managerial and Organizational Support During Implementation.

Managerial and organizational support during implementation

	Managerial efforts
North	There is a lot of focus on reskilling in our department (as opposed to upskilling) because there are quite a few "easy" tasks that might be robotized, automated, or offshored in the future. So, for us, it is highly relevant to reskill. (North Empl. 2)
	If you cannot do the job you have today (because of robotization), then we will see where you can do another job. Try to get some (job) mobility in the company. (North Mgr. 1)
South	You get the chance to do other things. People are urged to apply for internal jobs and change departments and look elsewhere. So, I do not perceive it as negative that we have robots who can do part of our job. (South Empl. 4)
	Management urges us to develop our skills and attend courses. You may do many different things (to develop) as long as it is relevant to the job. (South Empl. 7)
	Many have attended courses at the university that you can sign up for. Management is good at communicating when there are courses for those who wish (to take them) or other education. Those who want can apply. (South Empl. 6)
West	The employees are involved all the way, not just sitting on the sides but are driving (change) onwards themselves, which is extremely important. I think it gives another type of ownership; you will see the value in a different way. (West Mgr. 2)
	(The robotics unit must) know us users. They must connect and uncover where we can help each other. What is your strength and what are the challenges? It is about bringing people on board at once. Getting to know the business areas—what are they working on? How? Why do we say as we do? … Get to know the tasks a bit and the people who work there. It is much easier when we continue to collaborate. It is much easier than picking up the phone and asking. The most important part is getting to know each other, getting folks on board. (West Mgr. 3)
Robotics unit	
North	Almost all the tasks we automate are extremely boring tasks that employees might actually not have time to do and that they surely are quite sick of. (North Robotics Empl. 2)
	But what is positive is that we only take the most basic, and it is not like people only have basic tasks. One has a range of tasks where the levels of complexity are different. And we aim for the simplest tasks, without evaluation, without anything. (North Robotics Empl. 6)
	We were clear that we are like a temp agency because employees have a lot to do. (North Robotics Empl. 4).
South	The employees could say, "No, I do this job much better than a robot! A robot cannot do what I do." But I think we were quite clever when we started to say that "that is totally correct! But the robot can take the boring tasks, and if he is stuck, he will send the tasks to you." And that is what he (the robot) does; if it is something out of the ordinary, the robot will say, "I do not understand anything. A human must do this," and then send the deviations to the employees. (South Robotics Empl. 2)
	If you have a lot of employees who say, "It is only problems with the robot. He only makes mistakes," then it is obvious that you will not suggest automating your tasks.

(continued)

Table 7. (continued)

Managerial and organizational support during implementation

		So, it is very important that the employees are on board and engaged. And they really have been! (South Robotics Empl. 2)
West		I think it is great. I think it is much easier to understand the processes we want to have in the robot than if we would use external people (to develop robotics). (West Mgr. 2)
		It is crucial. To me, it is unthinkable for us to have outsourced mapping and development. It is not only about building trust but also about understanding the work processes and daring to ask questions. And you need trust to do that. (West Robotics Empl. 2)
		When I joined the first project at our department from A to Z, I thought it was great. I could not see anything that should have been different. And they (robotics) were very adept when I spotted a mistake to tune it. I thought they were very skilled. (West Empl. 3)
		We talk to them on a weekly basis. They are after all just a couple of floors below us. And we see each other every day, so you do build trust. We have a good dialogue, and we really emphasize that as soon as they ask about or draw attention to something, we take them seriously. It is a part of building trust. (West Robotics Empl. 2)
		I think it is very important to have a humble attitude toward the fact that you are actually teaching a machine to take over someone's job. Knowing the method they use, their way of communication, and their involvement. Because you are completely dependent on the employees who are performing the task. If they are not contributing, the robot will not be able to perform the task. (West Robotics Empl. 3)
Organizational conditions
See Table 1 for a description and summary of organizational conditions.

Compared to developing integrated IT systems, RPA was an easy method to improve and automate manual processes. Although RPA is vulnerable to system changes and is claimed to be a temporary solution, both the employees and managers agreed that RPA improved the quality of the services and enabled faster, cheaper, and more consistent production. Because robots could take the simplest and most repetitive tasks off the employees' hands, the employees could allocate more time to complex and challenging tasks. Although the employees commented on the nuisance of handling deviations that the robots were unable to handle, they acknowledged the number of tasks that the robots performed. In general, robotization impacted the operational efficiency by enabling the robots to deliver services more quickly and with consistent quality, thus improving the employee capacity for complex cases:

> Say we need 10, 15, 17 minutes to delete all these things here, but a robot can do it in just a couple of minutes. It is a very boring task; there is no value creation in it…. So, we really have noticed it in our service standard, and we have decreased a couple of days and maintain a low level after implementation [of the robot]. (North Empl. 3)

It should be noted that the number of FTEs that would be required to do all the tasks that the robots performed was not equal to the number of employees becoming

redundant, and as mentioned the organizations claimed to not have any direct layoffs due to RPA. However, at North, a department received an increased volume of tasks after teaming up with a new business partner but decided to develop a robot to handle these tasks instead of hiring about 15 new employees. An additional value added by robotization was, thus, the saved cost of new hires.

In summary, the respondents believed that the change was successfully implemented and integrated. The robots largely performed the tasks they were set to perform, and the employees had time to focus on other tasks. The employees also perceived the change to be successful and identified how it altered their workdays in a positive way. Although maintenance and monitoring could be challenging and frustrating, the value of the daily contribution of robots was appreciated. The fact that frustration and annoyance could occur when a robot was not working, is a testament to the successful implementation of robotization. Those reactions showed how the robots were accepted and incorporated, as challenges did not elicit responses about discontinuing the technology or returning to pre-RPA times.

Employee Engagement. Throughout the implementation process, the employees expressed engagement in robotization. Employees expressed engagement through continued dedication to the change initiative and to the organization. They did so by monitoring the robots and identifying potential new tasks for robotization, even after the initial and formal implementation process was concluded. Hence, employee engagement contributed both to employees taking informal responsibility for attending to the error lists the robot generated and too identifying future areas for robotization. Many employees referred to wish lists and future projects for the robots and how new, more sophisticated technology could be utilized. Such suggestions were discussed in department meetings and with the robotics units, as described by an employee from a robotics unit:

> In the robotics unit, we get a lot of feedback like "but that task, can that not be robotized?" And then we might have to say, "No it cannot because of X and Y." And then they say, "Oh, darn it, it is so boring!" haha. (South Robotics Empl. 2)

Employee engagement was also confirmed by the managers. The employees were described as positive and involved in the implementation process. According to the managers, employees appeared to view robotization as a rewarding process they were proud of having contributed to:

> It is very fun to see that the idea that we had is actually being realized; we made it work, like, "Look, it works like a charm." It is really fun. So, then we get a bit proud that we have contributed. (West Mgr. 3)

In summary, the analysis revealed similar responses to robotization across North, South, and West. Despite being faced with potential loss, the employees showed remarkably positive and constructive responses. They responded to robotization by

Table 8. Change Outcomes.

Change outcomes	
	Successful implementation
North	When we got the robots and did the math, we calculated the cost savings for one year to be about 20 million (Norwegian krone—approx. 2.1 million USD) … But money is not really the most important part. Speed is more important (to the customer), and what we need 10 min to complete, the robot only needs two minutes. (North Empl. 2)
	Say we need 10, 15, and 17 min to delete all these things here, but a robot can do it in just a couple of minutes. It is a very boring task. There is no value creation in it … So, we really have noticed it in our service standard, and we have decreased a couple of days and maintained a low level after implementation (of the robot). (North Empl. 3)
South	When we see the division between what we do with humans and what we do with robots, we are at 78% manual and 22% robot. So, if the robots are discontinued, we have to put in 35,000 h of temporary workers, new employees, or overtime. (South Mgr. 1)
	First, we have come a long way and implemented many processes. That is one side of it. Additionally, I would say we have succeeded by having such a good experience in the business area while robotizing. (South Robotics Empl. 2)
West	Earlier, the customers would order (a product) through the online bank (and think it was automatic), but when it came to us, it was a manual task that was quite time-consuming. But now that the robot does it … it is so much faster. (West Empl. 1)
	It is rarely a big volume (of deviations). What might happen is that we get three, four, or five deviations, and that is not abnormal. (West Empl. 3)
Employee engagement	
North	We would like to have digitalized all three steps when establishing customer relations. This is so that we can focus more on other tasks. (North Empl. 1)
	So, it really is under everybody's skin. We have to work in a simpler manner. That is what will secure your job in the future. It is not that we sit here like in the old days and move paper around. Most people do not really think it is fun; and when you see that there are other opportunities, you understand that. (North Mgr. 1)
South	Yes, it was my suggestion, mine, and the previous manager, to robotize the task. Everybody can make suggestions on what might be robotized, independent of the role one has. (South Empl. 7)
	In the robotics unit, we get a lot of feedback like "but that task, can that not be robotized?" And then we might have to say that "no it cannot because of X and Y", and then they say, "Oh, darn it. It is so boring!" haha. (South Robotics Empl. 2)
West	People are eager to find good solutions to work more productively. We are quite trained in that, thinking about processes and thinking about efficiency and improvements. We have been doing that for many years now, so I feel it has become part of—if it is culture or workday—but at least we are used to it. (West Mgr. 3)
	(Employees have actively contributed) extensively. They are very, very involved. It is nice to see, and it probably would be the case if it was this task or other tasks. It is always nice to influence a process. But it is very fun to see that the idea that we had is actually being realized. We made it work. Like, "look, it works like a charm." It is really fun. So, then we get a bit proud that we have contributed. (West Mgr. 3)

adopting a big-picture perspective, finding developmental opportunities, and building relationships with these robots. Although the employees themselves played an important role, managerial support and other organizational factors contributed to a receptive context for change, reinforcing the constructive and positive responses.

Discussion

By considering the employee perspective during RPA implementation and adopting the multidimensional perspective on employee responses (Piderit, 2000), I developed the model shown in Figure 1. It shows the multidimensional employee responses to robotization and how these are shaped by the receptiveness of the context and triggered by the type of technology being implemented. The employees expressed their responses through building relationships with their digital colleagues (affective), finding developmental opportunities (behavioral), and adopting a big-picture perspective (cognitive), constituting an "ABC" of responses. The ABC dimensions reinforced and facilitated each other, resulting in successful implementation. The model is termed ABC, yet the dimensions are intertwined and interdependent (Lazarus, 1991), which is reflected by two-way-facing arrows in the model. The dimensions reinforce and facilitate each other, giving grounds for alternative sequencing and presentation of the dimensions. In the following, I discuss the key components of the model (the three responses and the receptive context) in light of existing theory and present theoretical contributions and practical implications.

Affective: Relationship Building. Relationship building is an affective response that involves employees forming relationships with their robotic replacements by viewing
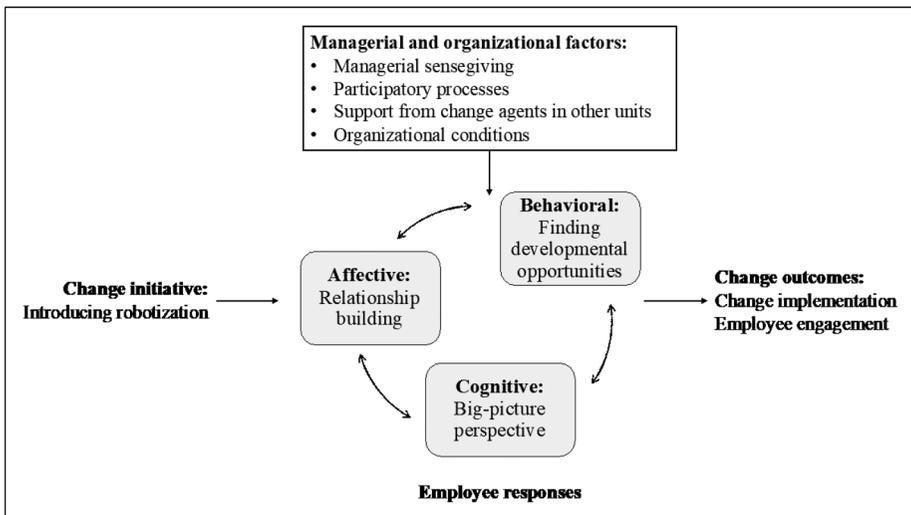

Figure 1. The ABC of employee responses to robotization.

them as digital colleagues. I found that humanizing the digital colleagues gave the employees a chance to "get to know" the robots and facilitated the positive evaluation of opportunities.

To understand how and why humanization contributes to employees becoming constructive and positive during the change, the term anthropomorphism can be imported, which refers to the process of giving human characteristics to inhuman objects or entities (Ashforth et al., 2020). In their review paper, Ashforth et al. (2020) connected anthropomorphism to organizational identity and proposed that organizations could be assigned human characteristics, shaping organizational identity and employee relations to the organization. Although the concept of anthropomorphism has not yet been used in a change implementation context, the way the employees in this case humanized the robots and built relationships with them suggests that this process can also occur during organizational phenomena, such as change. Such an anthropomorphic process can contribute to the successful implementation by shaping the employee responses through employees characterizing, integrating, and relating to the new technology as a colleague.

Humanizing the technology and building relationships with these digital colleagues allowed the employees to position themselves in relation to their new colleagues. For instance, some employees compared their skills to those of the robots and placed themselves as superior to the robots. By humanizing and building relational ties, employees can acknowledge the contribution of their digital colleagues, while still feeling more valuable than their digital colleagues. Feeling as important and valued assets for the organization, explains why employees might remain constructive and positive even if robotization poses a threat to their current daily tasks. This underscores the importance of relationship building for gaining an understanding of employee multidimensional responses. The familiarity and understanding of the technology allow employees to evaluate its strengths and limitations, but by humanizing the technology and constructing digital colleagues, employees can picture a work environment where they themselves feel more valuable and can pursue opportunities to develop their skills. Relationship building as an affective response contributes to employees becoming emotionally and relationally invested in robotization yet is still connected to a cognitive evaluation of the technology, and not just a gimmick picturing characters from Star Wars or giving the robots funny names.

Behavioral: Finding Developmental Opportunities. Rather than focusing on the potential threat robotization posed to employee positions, the employees found opportunities to develop skills and capabilities. In general, finding opportunities has a cognitive response dimension because identifying robotization as an initiative that provides opportunities and benefits rather than serving as a threat is part of evaluating the change. Nevertheless, this response is an expression of the behavioral dimension, since it involves employees actively pursuing and taking advantage of opportunities. Although finding opportunities is similar to Sonenshein and Dholakia's (2012) meaning-making strategy benefits finding, this finding extends the current literature by illustrating accompanying employee behavior. Merely identifying and thinking about the benefits of change cannot contribute to implementation if the employees

do not have the intentions or possibilities to act upon them. In the case of robotization, employees expressed their intentions to take on new tasks while also ensuring that they reaped the benefits, and through this show how they actively took the opportunities identified. Being able to pursue new opportunities to develop skills useful for the company also strengthens the cognitive response of evaluating robotization as aligned with strategic goals. Moreover, some employees perceived that their new digital colleague solved various "pain points" of their workday, which gave employees the opportunity to solve tasks they experienced as more fun and challenging. This is in line with other research on RPA, in which employees were found to be happy and enthusiastic (Lacity & Willcocks, 2016). Hence, the immediate benefits of robotization relieving employees of their tasks can be seen as a "small win" (Kotter, 1995) that is suggested to energize change efforts, likely contributing to employees showing engagement by suggesting tasks for future robotization.

Cognitive: Big-Picture Perspective. Employees evaluated robotization as part of their organizations' overall strategies and necessary technological change. With this evaluation, they were able to adopt a big-picture perspective on robotization, a cognitive change response (Piderit, 2000), by identifying how their efforts as operational employees contributed to the overall strategic and organizational efforts. Attaching a change initiative to an overall plan aligns with what previous research has described as a *strategy worldview* (Sonenshein & Dholakia, 2012, p. 3). With such a strategy worldview, it is suggested that employees construct meaning from and accept change by placing it in the context of an overall strategy (Sonenshein & Dholakia, 2012). Similarly, in the case of robotization, I found that the employees evaluated and accepted change by constructing a big-picture perspective by not only placing robotization into the overall strategy but also connecting it to industry trends. This may have reduced potential resistance and feelings of uncertainty, as the employees understood robotization as part of a natural development aligned with other strategic efforts. This shaped and reinforced constructive behavioral and affective responses, as little energy was put toward hindering the new technology by for instance hiding tasks or expressing negativity. It also appeared as if the employees identified how their efforts were meaningful toward reaching their organization's overarching goals, giving energy to pursue new opportunities and to humanize the technology into a valued digital colleague. This finding corroborates other research suggesting that the identification of meaningfulness in tasks contributes to mobilizing employees for change (Carton, 2018).

Receptive Change Context. Employee responses emerged within the context of managerial and organizational support, which was characterized as a receptive context. In a receptive change context, managers mobilize and energize employees for change (Pettigrew, 1987; Pettigrew et al., 1992). Several managers emphasized the importance of technological development for their organizations to stay competitive within the industry. With this message, they connected robotization to a larger agenda and created a frame of reference for employees to evaluate the change initiative (Balogun et al., 2015; Logemann et al., 2019; Sonenshein & Dholakia, 2012). Mobilizing this message contributed to an understanding of change being inevitable

and connected to overall strategic goals. Employees adopting a big-picture perspective illustrate how managerial sense-giving efforts shaped the employees' understanding of change (Gioia & Chittipeddi, 1991; Sonenshein, 2010).

With a participatory process during implementation, facilitated by managers, the employees could learn about robotization and its practical (and actual) implications. This, in turn, helped the employees to not grow feelings of uncertainty or fear and actually helped them find opportunities to develop skills and to humanize and accept the technology as a digital colleague. Earlier research has suggested that employees who participate in change report higher perceptions of gain (Bartunek et al., 2006), and those feelings of the agency during the implementation process yield a more positive implementation process (Golden-Biddle & Mao, 2012). The findings of this study extend these arguments, by empirically showing that participating in robotization enabled the employees to find developmental opportunities and that employees had the agency to act on and pursue these opportunities.

The robotics units provided the employees with support, information, and proximity to the implementation efforts. Employees from these units explained in the interviews how they attempted to shape the relationship between the employees and their digital colleagues. Their sense-giving strategies involved being transparent about the robots' skills (and limitations) and recognizing the value of the human expertise in the process (Gioia & Chittipeddi, 1991). The employees adopted the robotics units' framing of change but extended and embellished these narratives by building relationships with their digital colleagues. Extending the narratives is in line with other studies showing that employees use change agents' narratives as tools when understanding change themselves (Logemann et al., 2019; Sonenshein, 2010).

The last contributing factor to a receptive environment and constructive employees was the organizations' HR systems and practices. The organizations' efforts to create learning opportunities and job safety contributed to employees evaluating change as not a threat: although they might lose their tasks, they (mostly) still got to keep their jobs. This gave the employees a chance to focus on the positive aspects, such as the opportunities to develop their skills provided by robotization, instead of feeling uncertain about the future consequences. Although some employees in temporary positions were let go at the end of their contracts and others quit the organizations instead of finding other internal jobs, employees perceived HR practices to be supportive and consistent, and explained consequences as fair and expected and not something to be outraged about.

Theoretical Contributions

The motivation behind this study was to explore employee responses to technology-driven change. Previous research gives a divergent picture of how employees respond to technology-driven change by suggesting both that employees feel threatened, but also that they find opportunities to develop when implementing new technology (Lacity & Willcocks, 2016; Schneider & Sting, 2020). The main contribution of

this study is providing a piece to the puzzle to understanding employee responses to technology-driven change using robotization as a case.

As suggested by conceptual papers on employee responses (Piderit, 2000), employee responses to change are multidimensional. This paper empirically illustrates multidimensional responses to robotization, with dimensions that reinforce and facilitate each other. In line with previous research on technology-driven change, this study showed how employees may indeed identify opportunities from robotization (Lacity & Willcocks, 2016) and found that technology has an augmenting effect to strengthen employee value (Raisch & Krakowski, 2020). Through the ABC model, I extend current research by empirically illustrating the employee multidimensional responses, which exceeds identifying opportunities. In the case of North, South, and West, employees had a positive evaluation of change that appeared to help them find opportunities to develop, and they had the agency to act on the opportunities they identified. Building relationships with the digital colleagues, the affective response dimension, reinforced employees' cognitive evaluation and sense of agency to act. By humanizing the robots and positioning themselves as superior, employees deepened their understanding of the robots' potential and gained the confidence to pursue and take on new tasks. This shows that to understand employee responses to robotization, one must account for more than the cognitive evaluations of threats and opportunities generated by the change, as employee responses are multidimensional.

Although the ABC dimensions reinforce and facilitate each other, this does not mean that the overall responses converge to become constructive. Previous research has indicated that shifts in, for instance, the emotional responses can cause change evaluations to turn and create resistance (Huy et al., 2014). Conceptually, it has been argued that the ABC dimensions can be divergent and create ambiguity (Piderit, 2000). If employees do not find opportunities to develop or have agency to pursue opportunities, they may evaluate change more negatively, identify robotization as a threat. Employees may intend to slow down change to protect the status quo and alienate the technology rather than humanize it as digital colleagues. Future research can complement the findings by exploring other types of technology-driven changes, to provide insights into how employee responses are triggered in other change contexts. It is, for instance, proposed that users develop trust differently when encountering embedded artificial intelligence as compared to robotics (Glikson & Woolley, 2020), suggesting that employees may respond differently to more sophisticated technologies.

The receptive context is the second contribution of this study. A receptive context can refer to "features of a context and management action which through mobilization and linkage provide a high energy around change" (Pettigrew, 2012, p. 1313). In this case, the receptive context empirically illustrates the importance of the surrounding change context as an influence on the constructive and positive employee responses to robotization. This study contributes by identifying the managerial and organizational efforts shaping responses to robotization across the ABC dimensions. When organizational actors provided support and facilitated a participatory process, the employees became familiar with the technology, providing them with the knowledge and

confidence to pursue new opportunities and integrate the robots as digital colleagues. The managerial efforts were aligned with the supporting robotics units' and HR efforts. An avenue for future research is to further explore managerial efforts and supporting units to explore their role in shaping employee responses.

The third and last contribution of this study is the affective response to robotization and the underlying mechanisms contributing to building relationships with the new digital colleagues. Existing research has tended to downplay the affective responses to change (Bartunek et al., 2006; Huy, 2011; Oreg et al., 2018). However, as shown in this study, affective responses are important to understand how employees adopt constructive and positive responses to robotization. This study extends research on affective responses by empirically illustrating that an affective response to change is not limited to personal feelings as, for instance, happiness or sadness, but has a relationship building component. I found that through anthropomorphism, humanization, and positioning, employees responded to robotization by building relationships with their digital colleagues. These mechanisms enabled employees to integrate robotization as part of their workday and helped employees recognize their own value in relation to the robots. As previously discussed, relationship building allows employees to "get to know" the new technology and contributes to a deeper understanding of robotization and how to deal with the implications. Building a relationship with robotic technology as a digital colleague and the anthropomorphic process may be peculiar to this specific type of change since it quite literally elicits connotations to physical robots. Nevertheless, the mechanisms at play, humanization and positioning, can be transferrable to other types of technology-driven changes and should be considered in future research efforts.

Practical Implications

There are two key practical implications of this study. First, employees develop multidimensional responses to technology-driven change. I found that employees built relationships with robots as their digital colleagues (affective), and the humanization reinforced and facilitated employees' constructive intentions (behavioral) to pursue opportunities to develop and their positive evaluations of robotization (cognitive). It was however not part of a deliberate managerial effort to create a human-technology-type workplace, but rather the humanization illustrates how the employees themselves shape their change experience and narratives (Logemann et al., 2019). This implies that giving employees the discretion to make sense of and shape the implementation of change can provide the employees with ownership and create engagement, contributing to a positive change process (Golden-Biddle & Mao, 2012). This discretion may result in different characteristics of the multidimensional, ABC, employee responses. Still, directing managerial attention to efforts that can reinforce and strengthen constructive responses along the intertwined dimensions, can contribute to successful implementation. For instance, through management facilitating a participatory process employees may not only attain an understanding of and

relationship to the technology, their confidence, and agency to pursue new opportunities to develop may also be enhanced.

The second practical implication relates to building a receptive context for change. During change, different efforts can increase energy for change and mobilize employees for action (Pettigrew et al., 1992). Managers and other organizational actors (such as robotics units) may, for instance, attempt to align a change initiative with the organization's overall strategy to emphasize the importance and meaningfulness of the change. Efforts to design a participatory process when introducing new technology, even with employees who are not yet technologically proficient, can pay off through mobilizing employees to engage to successfully meeting change goals, in addition to shaping responses as noted above. A receptive context for change requires systematic organizational work, also when change initiatives are not ongoing. Ongoing organizational efforts to provide opportunities for employees to develop their skills and capabilities, shape the changing context by providing underlying safety, which may reduce feelings of uncertainty and fear when tasks are changed or lost due to new technology.

Conclusion

In this study, I explored how employees responded to technology-driven change. By studying three cases and linking employee responses to existing conceptual research, I developed an "ABC model of employee responses to robotization." Notably, the employees responded by adopting a big-picture perspective, finding opportunities from robotization, and building relationships with their new digital colleagues. To explain their responses, I drew on a multidimensional view, meaning that the responses were affective, behavioral, and cognitive (Piderit, 2000). This, together with a receptive context, helped unpack employee responses to technological-driven change with robotization as the empirical example.

Since this study was based on organizations from the Norwegian financial sector and a specific type of technology-driven change, there are certain limitations regarding the direct transferability of the conclusions to other settings. First, the national level of technology and digitalization is quite advanced, and this may have contributed to the employees' evaluation of the need for and benefits of robotization. Second, the Scandinavian work environment is characterized by its "safety-net" for employees; hence, the managerial support and job security observed may be particular for this context. Nevertheless, by providing a rich case description and probing deep into the mechanisms explaining the affective, behavioral, and cognitive responses, the findings have the potential to be analytically transferrable to other institutional contexts, industries, or changes involving other types of technology.

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Note

1. Company names in this study are anonymized.

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Developing organizational change capacity: Accessing the HR toolbox

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Abstract

Contemporary organizations experience a high pace of organizational change with parallel and overlapping change initiatives. Existing research has probed how organizations can develop a capacity for multiple change, but without specifying how various groups in the organization contribute. Drawing on a case study within the Nordic financial industry, we examine HR's role in developing organizational change capacity (OCC). Findings suggest that HR staff contribute to developing change capacity in four important ways targeting different levels within the organization. Through their practices and processes, HR staff (1) support employees in upskilling, reskilling, and mobility initiatives; (2) enhance middle and first-line managers' change management capabilities through various training programs and HR business partner roles; (3) set clear policies to guide and sometimes also constrain middle and first-line manager's room to maneuver; and (4) align the interests of stakeholders, such as unions, communications departments, and corporate centers. These findings contribute to the organization change literature by showing how and why HR practices foster OCC, which in turn strengthens an organization's ability to successfully achieve change goals, even in high-pace and multiple change contexts.

Introduction

Forty years ago, Kotter and Schlesinger (1979) suggested that companies make moderate to major changes at least every four to five years to handle increased competition, a changing workforce, and new governmental regulations. Today, companies handle higher pressure and pace of change and introduce change initiatives even more frequently. While implementation of a single change initiative has proven difficult enough, today, organizations more likely find themselves in a situation with many parallel change processes—encompassing both episodic and incremental initiatives—that also overlap each other in time (Pettigrew, Woodman, & Cameron, 2001; Stensaker, Meyer, Falkenberg, & Haueng, 2002). Handling parallel and overlapping changes requires an ability to implement organizational change not just as a one-off but on an ongoing basis. The ability to change without compromising daily operations or subsequent change processes has been labeled as organizational change capacity (OCC) (Meyer & Stensaker, 2006). This concept captures the idea that organizational changes implemented at one point in time can potentially influence daily operations and other change processes; it may also influence subsequent change processes. Firms that have change capacity have proven successful in achieving change goals (Heckmann, Steger, & Dowling, 2016) and are able to repeatedly implement change as a normal response to changes in the environment (Buono & Kerber, 2010; Klarner, Probst, & Soparnot, 2007, 2008). A key question involves how firms develop such capacity.

Conceptual research suggests that change capacity can be developed through participatory processes and carefully framing, pacing, and sequencing change (Meyer & Stensaker, 2006). This requires that a management adopts a long-term perspective and views a specific change process as an opportunity to create positive experiences of change that influence subsequent change processes. Previous experience influences both management and employee attitudes toward change (Heckmann et al., 2016). Employees with positive change experience

learn about the change processes and develop coping mechanisms (Stensaker & Meyer, 2012), which enhances the long-term capacity for change. Establishing routines for change and mobilizing these in subsequent change processes allow employees to become familiar with the procedures for change, which reduces uncertainty and can generate trust in the process (Meyer & Stensaker, 2006). Managers clearly play an important role in designing and managing such processes. The above research suggests that employee responses also influence capacity for change. Absent from existing research on change capacity, however, is the role played by other organizational members, for instance, those in staff positions, such as within HR. Meanwhile, the HR literature suggests that the HR' department is increasingly playing an important role in strategic and organizational change processes, for example, as business partners (Ulrich & Beatty, 2001) and as change agents (Alfes, Truss, & Gill, 2010; Caldwell, 2001; Ulrich, 1997). However, within the broader organizational change literature, and more specifically the literature on change capacity, knowledge about the role of administrative support staff in developing an organization's change capacity is limited. Hence, while existing studies have shown how managers and employees can contribute to developing capacity for change, this study takes a particular interest in support staff by asking: *How can HR processes and practices contribute to developing an organization's change capacity?*

To answer this question, we draw on the HR literature, as it informs our understanding of the HR staff´s role in building change capacity. This literature suggests that HR staff need to familiarize themselves with the businesses to play a role in the development of their organizations' capabilities and cultures (Ulrich, 1997; Ulrich & Dulebohn, 2015). Moreover, the literature provides insights into HR's role in supporting line management and coordinating efforts to successfully implement change (Hope-Hailey, Farndale, & Truss, 2005; Truss, Gratton, Hope-Hailey, Stiles, & Zaleska, 2002).

Our interest in the topic emerged during field work in a Nordic Financial Industry firm, where we observed that employees responded overwhelmingly positively to a series of ongoing change initiatives involving offshoring and robotization (Ågnes, 2021a, 2021b). Although these changes involved the removal of tasks and could potentially lead to redundancy, the affected employees not only contributed to training their replacements and transferring tasks but took on an active change agent role. Although parts of the explanation of this constructive collective response had to do with employees themselves and the careful management of the processes, an underlying capacity to change within the organizational context was clearly present. HR appeared to have had an important role in developing this foundation, leading us to want to look further into how HR staff contributed to the development of change capacity.

In this case study, we draw on our historical knowledge based on prolonged collaboration with the case company combined with targeting key actors in the company's HR and developmental efforts for 17 in-depth interviews, providing insights into HR practices during organizational changes.

Findings suggest that HR staff contribute to developing change capacity in four important ways targeting different levels within the organization. Through their processes and practices, HR staff (1) facilitated change for employees through upskilling, reskilling, and mobility initiatives; (2) enhanced middle- and first-line managers' change management capabilities through various training programs; (3) set clear rules and procedures that guided and sometimes also constrained middle- and first-line managers' options; and (4) aligned the interests and efforts of other internal stakeholders, such as unions. Through systematic work at these four levels, HR staff created conditions that contributed to developing long-term capacity for change.

Our findings contribute to the organizational change literature by expanding the understanding of what it takes to build organizational change capacity. Existing research has

focused primarily on management and employees, whereas our study identifies and unpacks the role of HR staff in supporting organizational members and maintaining organizational infrastructures. By bridging the literature on HR and change, we thus broaden the view on actors who participate to secure successful organizational change and development and highlight HR practices and processes developed to support a strategic direction and strengthen organizational members' abilities to handle and implement change.

Theoretical foundation

Organizational change capacity

OCC refers to the ability to implement change without harming daily operations and subsequent change (Meyer & Stensaker, 2006). Heckmann and colleagues (2016) view OCC as a promising construct because its essence lies in the capability to successfully change on an ongoing basis. Capacity builds on the notion of continuous change but also comprises episodic change processes; hence, the construct encompasses different forms, sizes, and types of change. Recognizing that change is context sensitive and requires careful attention to the specific contextual conditions, whereas OCC builds on the assumption that many parallel changes tend to coexist at any one point in time, suggesting that organizations need to develop their ability to manage multiple and overlapping processes. Multiple change processes are liable to crowd out daily operations, but parallel processes can also accelerate and/or slow each other down and affect future change opportunities in various ways. The construct thus rests on the assumption of multiple change and is related yet distinguishable from other organizational change constructs, such as change readiness (Heckmann et al., 2016) and receptive contexts for change (Pettigrew, 1987, 2012; Pettigrew, Ferlie, & McKee, 1992). We discuss each of these related constructs below.

Readiness for change developed as an individual-level construct measuring an employee's "beliefs, attitudes, and intentions regarding the extent to which individuals believe changes are needed and the organization has the capacity to successfully undertake those changes" (Armenakis, Harris, & Mossholder, 1993, p. 681). As such, readiness centers on the individual-level employee rather than the organizational level and relates to specific change initiatives rather than a context of multiple changes. Nevertheless, employee attitudes to change are clearly important for organization-level capacity, as lacking readiness can compromise both the ability to implement change and attend to daily operations. In addition to focusing on employee attitudes, however, OCC also includes leadership capabilities, change-supporting culture, and the organizational infrastructure (Judge & Douglas, 2009).

Pettigrew and colleagues (Pettigrew, 2012; Pettigrew et al., 1992) compared similar change processes to account for what created successful outcomes and identified a number of contextual features and management actions that constituted what they labeled as *a receptive context for change.* Such contexts facilitated the mobilization of change and generated high energy around change. Characteristic features of receptive contexts included a supportive organizational culture, key people leading the change, simplicity, and clarity of change goals, and co-operative interorganizational relations. Although this research suggests that a receptive context for change can be built at the organizational level, it does not specify the processes through which this can be done nor how a supportive organizational culture and co-operative interorganizational relations occur in the first place, which is the topic of interest in this study.

Research that has specifically focused on OCC suggests that capacity can be developed through three dimensions: organizational members, organizational structures/infrastructures, and organizational cultures (Buono & Kerber, 2010). Organizational members consist of both employees and management. As mentioned, some evidence shows that employees with extensive organizational change experience can develop change capabilities, yet this depends

on how previous change processes have been managed (Stensaker & Meyer, 2012). Poorly managed change processes can result in change fatigue rather than capacity and thus act as a barrier to subsequent changes (Sastry, 1997). Effective management of parallel and overlapping change may require careful attention to participatory processes, pacing and sequencing multiple changes, and routinizing change (Meyer & Stensaker, 2006). Hence, management can contribute to developing capacity for change through the ways in which they manage the process. For instance, participatory processes can contribute to improved understanding and commitment to change and foster trustful interorganizational relations between management and employees. Carefully pacing and sequencing change can also affect capacities and outcomes (Huy, 2001; Huy & Mintzberg, 2003). For instance, empirical research has shown that firms that follow regular change rhythms balance the need for change with stability in a manner that creates superior long-term performance (Friesl & Silberzahn, 2012; Klarner & Raisch, 2013).

Routinizing change refers to developing and repeatedly using similar structures, processes, and procedures for different types of change. Routines can reduce the number of new things employees have to relate to and foster trust between employees and management in organizational change processes. Moreover, routines can give employees predictability and stability (Meyer & Stensaker, 2006). Organizations only become better at coping with change by gaining experience with these routines (Worley & Lawler, 2009). However, not only the quantity but also the quality of the change experience is important (Heckmann et al., 2016). The capability for change can be compared to "a muscle that gets better with exercise … change capability got more sophisticated as it was applied to more and more issues" (Worley & Lawler, 2009, p. 250). The notion of a muscle that can be built and also gets stronger with exercise is conducive to our thinking that organizations can systematically work to develop OCC. What remains lacking, however, is specific insights into what change routines consist of and how

they are developed. Managers make use of such routines, whereas other staff members typically secure documentation and spreading of routines, and this is where HR plays a role.

The third dimension of OCC, organization culture, has not been studied to the same extent, yet Buono and Kerber (2010) argue that handling frequent change requires a culture for experimentation, pluralistic viewpoints, open-mindedness, and a shared purpose among stakeholders. Although support staff like HR increasingly take on a strategic role and support managers and employees through organizational change, existing OCC research has not looked into how support functions, such as HR, can contribute to developing capacity for change. Nevertheless, support staff are central in establishing structures for change and, like management, HR staff often play an important role in shaping the culture in the organization. To our knowledge, the only published research specifically looking into how staff can enhance capacity for change examined the role of internal consultants (Buono & Subbiah, 2014). However, HR staff may take on broader responsibilities than internal consultants, which we explore below.

HR roles in the organization

As a supportive function, HR deals with the management of human resources, including tasks related to change and development efforts. A widely used typology on HR roles was developed by Ulrich (1997), where HR professionals are classified in four categories: strategic partners, change agents, administrative experts, and employee champions. By taking on these roles, HR professionals balance a strategic and operational focus, and manage processual and people-related activities (Ulrich, 1997). Although Ulrich's original typology has been criticized for being generic and prescriptive drawing from a US context (Caldwell, 2003), it nonetheless provides insights into roles and responsibilities that HR functions strive to fulfill effectively (Ulrich & Dulebohn, 2015). We now discuss how the different HR roles can contribute to organizational change capacity.

HR as strategic partners

When the HR staff take on a strategic partner role, they focus on aligning HR strategies and practices with the overall organizational (business) strategy (Ulrich, 1997). This includes developing processes, practices, and policies that complement the strategic objectives in the company. Practices related to recruitment, compensation, and competence development are areas where HR staff attempt to align their policies to the business strategy (Ulrich, 1997). Implicit in the strategic partner role is expertise about the business units. HR staff's abilities to contribute strategically and develop suitable HR practices are contingent on their proximity to the line organization and knowledge of operational matters (Lawler & Mohrman, 2003; Truss et al., 2002).

The effectiveness of HR staff in fulfilling a strategic partner role is thus dependent on their relation to line managers (Currie & Procter, 2001; McGovern, Gratton, Hope-Hailey, Stiles, & Truss, 1997; Truss et al., 2002). The relation to the business units and line management can be organized through an "HR business partner" position (Brockbank & Ulrich, 2009). In a study on delegating HR tasks to line management, McGovern and colleagues (1997) found that managers carry out their roles in different ways, creating inconsistencies across the organization. The success of this strategic role is also dependent on line managers and their capabilities and motivation for involving HR professionals (Hope-Hailey et al., 2005). Line managers may have few incentives to become involved in HR practices and may gain more benefit by focusing on their business objectives (McGovern et al., 1997). For HR staff to be effective as strategic partners (Ulrich, 1997), they need to develop good relations with the line management (Currie & Procter, 2001; McGovern et al., 1997).

HR as change agents

The change agent role entails a responsibility to manage transformation and change in the organization, not by executing change themselves but by making sure change is implemented (Ulrich, 1997, 1998). HR can enable change efforts by taking on activities that support change processes, for instance, ensuring communication, building relationships with employees, and building commitment to the change process (Ulrich, 1997). Research into the change agent role has, however, revealed that this role can be interpreted in many ways. Caldwell (2001) suggests different types of change agents that depend on the scope of change and an HR staff's vision and expertise. Following an empirical investigation of the implementation of change in the public sector, Alfes and colleagues (2010) pointed out that HR can take on various functional roles to support change processes, depending on whether their efforts are proactive or reactive and whether they attend to a content or process dimension. HR staff can also take an indirect, consultancy type of role to aid the line managers in charge of implementing change, as revealed in a study of HR staff support during mergers and acquisitions (Antila, 2006).

HR as employee champions

By involving themselves in the day-to-day issues and needs of employees, HR professionals can take on a role as employee champions. To understand the needs of employees, HR staff must operate in close proximity to employees, either directly or through collaboration with managers (Ulrich, 1997). Activities that support the employee champion role include organizing employee surveys, setting guidelines for annual reviews, and facilitating channels to handle complaints and other work issues and conflicts. In essence, this role protects employee rights (Ulrich, 1997), which is particularly important in change processes, where employees can face uncertainty and loss.

Although Ulrich (1997) argues that HR professionals have a distinct role in taking care of employees, other functions outside of HR can protect employee interests but are typically

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not included in the typology. Unions are particularly relevant parties to consider in European and Scandinavian contexts. Strong unions can also be important partners for HR, as they can detect and follow up on employee needs and prepare employees for large-scale changes.

HR as administrative experts

The fourth role is being an administrative expert in HR processes and practices, which involves managing the flow of employees in and out of the organization (Ulrich, 1997). Recruitment and hiring, compensation, compliance with labor regulations, and lay-off practices are examples of administrative areas where HR staff need to design and deliver effective polices. Although this role is described as a day-to-day task (Ulrich, 1997), these processes can overlap with the role of a strategic partner. Designing recruitment processes or training modules that are effective and valuable are contingent on HR staff being familiar with the competence needs of the business areas.

By taking on these four roles, HR staff can become a valuable and strategic asset for the employees and the organization (Ulrich, 1997, 1998). The roles of strategic partner and change agent have a specific strategic focus, whereas employee champions and administrative experts traditionally cover ongoing operational processes. HR responsibilities thus cover a wide range of processes and practices, and HR staff are dependent on close relations to the business and line managers to fulfill the strategic role and be a trusted partner during change implementation efforts (McGovern et al., 1997; Ulrich & Dulebohn, 2015).

In summary, we build on the notion of HR as taking on different roles and argue that these roles provide potential for HR staff to actively contribute to developing organizational change capacity.

Research Approach

This study was inspired by empirical observations of the case company FinCo, which the authors have been researching the past 20 years. By comparing ongoing research with previous studies, FinCo appeared to have developed an ability to frequently initiate and effectively implement large-scale change while continuously developing its business practices. Handling post-merger integrations, shutting down half of their branches within six months, outsourcing and offshoring IT and back-office tasks, reengineering work processes, and changing organizational structures are some examples of change initiatives the organization has implemented over the past 20 years. Our ongoing research suggests that both managers and employees handle such changes constructively and efficiently and that HR plays an important role in this. To explore HR staff's role in supporting the organizations and the development of change capacity, we therefore opted for a case study approach with FinCo as the case site (Yin, 2014). The case study approach allows for in-depth insights with multiple data sources (real-time and retrospective) and accommodates pursuing open and explorative research (Gioia, Corley, & Hamilton, 2012; Yin, 2014).

Research setting

FinCo is a full-service bank provider, with 9,000+ employees in Norway and subsidiaries abroad. Since the deregulation of the financial sector in the late 1980s, FinCo has gone through three waves of change (Figure 1). The first period was characterized by numerous mergers and acquisitions with a focus on the consolidation of operations and downsizing of employees. During this period, the bank built up considerable experience in post-merger integration, and from strongly resisting change in the early days of the mergers, the employees got used to mergers occurring continuously. From the 1990s, the merger wave coincided with the digitalization of operations. Branch offices were closed, and customer operations digitalized. In FinCo, branch offices were cut by 50% within 2–3 years. The adaptation of new

technology and shift from traditional to online banking led to a substantial reduction in branches and many employees being left with generous severance packages and finding employment elsewhere.
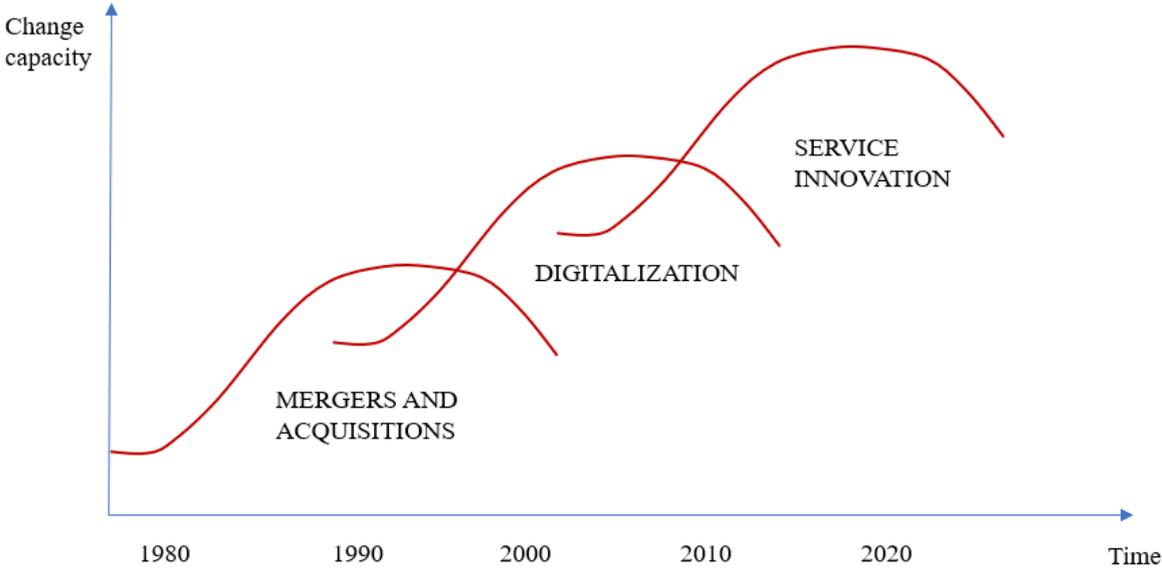
Figure 1 – Waves of Change

The third wave of change, service innovation, started when a new CEO took over in 2007. He feared that the bank lost track of important changes happening in the external environment and shifted the attention from solely focusing on the digitalization of operations and other efficiency-related changes to also focusing on customer-related service innovation.

The external world was changing so fast, and the digitalization of all the technology was becoming much more of an enabler for innovation. And unless we were going in that new product, new venture direction, we would become a dinosaur before we knew it…Prior to that, most technology funds have been invested into doing processes more efficiently, taking down costs more than anything else…. You must start building a new

stream of income, but it takes a lot of time before this will replace traditional income or grow large enough to be meaningful for the bank. (TM-2)

The new CEO continued to close branch offices and downsize the organization but simultaneously recruited new employees with technical competence. In only a few years, the composition of employees that had traditionally consisted of people with backgrounds in economics and finance shifted. In 2014, 14% of the recruitments had IT or technical backgrounds, and in 2019, it was 50%. This shift fundamentally changed the culture of the bank and accelerated the accumulation of a technically proficient workforce, but it was not without costs. Concurring with the shift in tech employees, the bank offered non-tech personnel generous severance packages. Simultaneously, tech employees proved costly to recruit and difficult to retain. This led to a shift in HR policy toward reskilling non-tech employees to take on new and more tech-related roles in the organization.

Over the past 20–30 years, FinCo has built up considerable change capacity to handle multiple types of changes. The centralized HR staff took on a key role, supporting the operational business units and the employees who worked in direct interaction with customers.

In FinCo, the HR is a centralized unit, and the HR director is part of the top management group. The unit is organized in divisions where several are cross-functional HR business partner teams responsible for all HR-related tasks in the company's operational units, corporate center, and supportive units. To perform their tasks, HR staff partner with managers in the business unit they are assigned to and provide support related to recruitment, strategic staffing, and training and development. Other HR divisions are responsible for development programs, internal mobility efforts, HR strategy, compliance, and technology.

Data collection

The first step in our data collection consisted of background interviews with experienced managers, who were targeted based on their knowledge of different change initiatives over time (see Table 1 for a full overview of data collection). For instance, the CEO of FinCo, who served through the phases of digitalization and service innovation, explained that FinCo had developed a foundation that created a feeling of safety among employees, and it had a historical legacy that shaped employee responses.

> *I think that having that psychological safety contributed to making it a bit easier to take on the proactive, constructive attitude [during offshoring]. So, there is the structural aspect of being taken care of by the organization, together with the recent history of the finance industry being capable of failing [that enables the attitude]. (TM-3)*

The background interviews also indicated that HR equipped operational managers with different tools and support when initiating and leading change initiatives. Examples included closing a business unit with the goal of creating "*the best disbanding in the history of FinCo!*" [TM-4] or merging two business units, resulting in elimination of a layer of management and redundant employees. The manager merging the business units vividly remembered the key advice from their HR partner, which was "*trust the process*" [TM-1]. Indeed, they later saw that this was valuable advice, as they experienced that FinCo offered managers different forms of support, including established routines and processes.

The first round of interviews indicated that HR has a key role in building change capacity over time, a role that was underexplored in the change literature. The second step of data collection was to interview central HR staff members. The former CEO was interviewed a second time to elaborate on the systematic and strategic work related to HR during their tenure, and the top manager was interviewed to further probe their relation to the HR function and perception of support. The respondents were chosen purposefully by targeting relevant respondents with expertise and experience. In several interviews, the respondents suggested

that we talk to HR staff that we were already in contact with, thus verifying our sampling. The respondents had experience from a range of positions within the HR function, including HR business partners and their manager, strategy advisors, and managers of a leadership and development unit and of the JobCenter.

Respondents	2020	2021
Background interviews with top and middle managers *(TM 4-7)*	4	
HR staff *		
HR managers and advisors (HR 1-3)		5
HR Business partners (HR 4-5)		2
CEO and top managers ** *(TM 1-3)*	1	5
	5	*12*
Total	**17**	
* Two HR staff were interviewed twice. *** The former CEO was interviewed three times, and one top manager was interviewed twice.*		

Table 1 – Overview of interviews conducted

The 17 interviews were all conducted via phone or video calls due to COVID-19 restrictions inhibiting personal meetings, and they lasted for approximately 60 minutes each. Conducting the interviews in this manner ensured quick and easy access to the respondents, and it appeared as convenient for the respondents to contribute. The respondents were assured that their participation would be kept confidential and that the recordings of the interviews would be deleted after transcription. All interviews lasted approximately 60 minutes, and all but the four background interviews were recorded and transcribed verbatim. For the unrecorded interviews, notes were taken during the interview, and summaries were written shortly after. The interviews were semi-structured and followed an interview guide that was adapted to suit the various roles the respondents had in the organization. Questions were related to how HR

provided support during change initiatives, the relation between HR and business units, and the development of various offerings, such as an internal job center and competence programs.

In addition to the interviews, we drew on other data sources as customary in a case study (Yin, 2014). These sources included publicly available information about the company and data and insights from previous studies and research collaborations with FinCo. This paper's second author conducted their PhD research on a post-merger integration process in the early 1990s. Since then, FinCo has been involved in several research projects funded by the research council. The collaboration has provided access to research on different organizational change processes conducted by the authors and their master's and PhD students. The first author's PhD research about employee responses to change also draws on FinCo as a case organization. This data contributes to both triangulating the findings (Creswell & Miller, 2000) and providing a rich understanding of the context. The full overview of data sources and their contribution to the study is provided in Table 2. Notably, the previous research on FinCo provides in-depth knowledge of the company, which would be difficult to accumulate through interviews or secondary data alone. Yet, supplemental data from publicly accessible sources also enable triangulation and the possibility of being reflexive and aware of potential biases arising from the prolonged relation to the organization (Creswell & Miller, 2000).

Data sources	Contribution to the study
Interview data	Interview data have been the primary data source to develop empirical findings and examine HR role in contributing to developing change capacity.
Continued collaboration with the case company	Participation in workshop and seminars: Case company representatives have participated in workshops and seminars with the researchers. Over time, this has enabled us to continuously discuss and validate impressions and findings. Master student research projects: The case company has facilitated several master thesis research projects, advised by the researchers. These have provided in-depth knowledge on various organization

	change initiatives through various thesis topics. Master's students have explored topics like innovation capacity, structural change initiatives, and middle managers' roles in change, leading to an in-depth familiarity and understanding of the setting.
Public information about the company, and secondary data sources	The company is a large industry player with substantial public ownership. Therefore, the company is closely followed by the media and other interest groups, making it possible to track the company from the outside, obtain an outsider perspective on the company culture, and determine how they wish to be perceived by customers. Additional public information about the company that informed the study included: - Public annual reports - Industry reports and union coverage concerning trends in the sector - Media coverage of the company - Top management participation in news, panel discussions, and podcasts - CEO blogs
Previous research conducted by the authors	Specific research projects informed the research approach and shaped our understanding of the case setting. Notable projects include: - PhD research about FinCo integration during merger and acquisition phases in the early 1990s. - PhD research about FinCo employee responses to change related to digitalization and service innovation. - Report on change capacity in the finance sector.

Table 2 – Data sources and their relevance for the study

Data analysis

To analyze the data, we adopted an inductive approach. The analysis process started with the first author transcribing the interviews and conducting first-order coding outlining different themes (Miles & Huberman, 1994) emerging from the data. When all the authors had immersed themselves in the interview data, we set up several joint workshops to discuss and elaborate on the main themes and the underlying HR processes and practices that emerged from our reading of the interview transcripts.

We created categories relating to the different HR tasks, capturing the specifics of ongoing change implementation and references to previous change initiatives and periods in between. One of these codes was *JobCenter*, the organization of an internal job center highly relevant for creating job safety for employees during change initiatives leading to redundancy; it also plays a supportive function for employees on long-term sick leaves. Another category identified in the data was HR's development of training programs to upskill and reskill employees, which we labeled *competence development*. As we saw that both these initial codes concerned processes and practices targeting employees, we grouped them together (Gioia et al., 2012) under *HR tools to support employees during change*.

Through the analysis process, we built a comprehensive data table to obtain an overview of the quotes used to substantiate the findings and to be able to consider if the category was "broadly" enough covered by the respondents or other data sources. Creating such a data table document contributes to the credibility and trustworthiness of the study by being able to back trace how our findings are grounded in the collected data (Cloutier & Ravasi, 2021; Creswell & Miller, 2000; Lincoln & Guba, 1985). In the process of analyzing the data, we consulted existing literature to make use of existing knowledge, particularly of the different HR roles and how these could be linked to change capacity.

Empirical findings: HR's toolbox for building change capacity

In this section, we present our findings. We argue and show that HR's toolbox for developing change capacity in FinCo can be divided into four sections, depending on the purpose of the processes and practices, as illustrated in Figure 2.
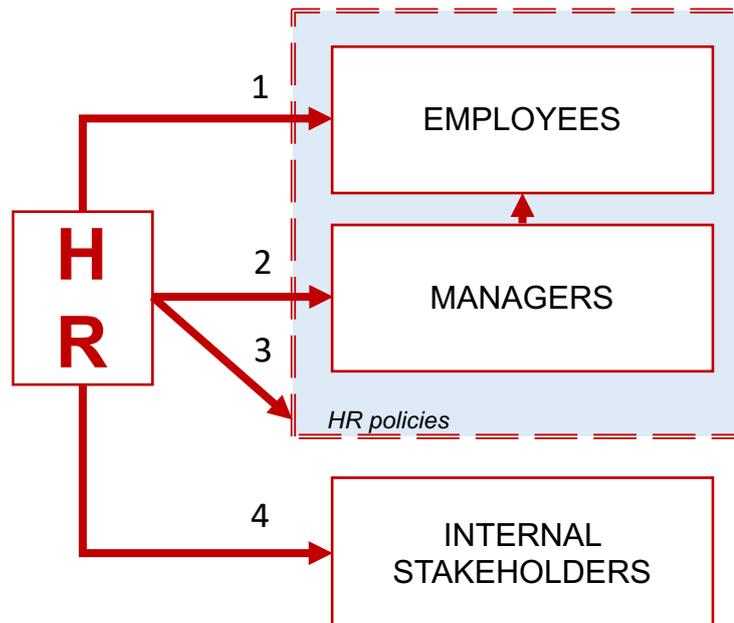
Figure 2 – HR toolbox for change capacity

The first set of tools (1) aims at the employees to ease the detrimental effects of change, whether this implies income loss, job reallocation, a need to obtain new skills, or other changes. An equally important set of tools (2) is directed at managers to build change management skills. This is done through leadership programs and advocating the HR business partner role to support the business units and top management. Next, (3) the HR staff has an important role in setting rules for the change processes to ensure fair processes. The last set of tools (4) is part of the HR's outreach initiatives. By teaming up with other stakeholders in the organization, the HR department can have a holistic approach to change and increase their own effect on the stakeholders in the change process.

In the following, we explore the different parts of the HR toolbox to build change capacity in FinCo. The different tools to build capacity are summarized in Table 3.

HR target areas	Processes and practices
Employee focused	Severance packages JobCenter Competence programs – reskill/upskill
Management focused	HR business partner Leadership development
Setting the rules	Fair recruitment processes
Outreach to stakeholders	Inclusion of unions Enlargement of the HR agenda

Table 3 – HR processes and practices

How HR supports employees during change

We identified three types of employee-focused practices during change: severance packages, internal job market, and competence programs. Some of these are directed at helping employees through a particular change process, such as downsizing, whereas others are aimed at strengthening employees' abilities to tackle future changes.

FinCo's change capacity was enhanced through the HR department gaining considerable experience in developing and using *severances packages* through decades of downsizing. As exemplified in the quote below, the policy in offering severance packages has been to avoid lay-offs and shape a productive environment together with unions to smooth the current and future transition processes.

> *We are a business in transition and aim to conduct this downsizing using voluntary measures. [FinCo] has generous severance packages, and I hope that as many [employees] as possible will take the offer (Branch manager to the National Television Corporation in 2016).*

However, the packages have been costly. In 2018, the cost of severance packages over the past five years was estimated to be 2.5 billion NOK. From 2013 to 2017, the number of

branches was reduced from 150 to 57, and 800 employees left the domestic operations. With such a substantial sum used in severance packages, managers wondered if the resources could be used differently, as the quote below illustrates.

> *In hindsight, I think we could have gotten more out of the resources by working more systematically with reskilling and a more focused use of severance packages… It is not easy to hit the goal when you invite 3000 employees to apply for severance packages and put an additional reward of six month's salary for those who make up their minds very fast. (TM-3)*

In the latter years, the focus has shifted from external to internal outplacement and reskilling, where the HR department has had a key role. The change of policy has been driven by several factors. When downsizing the organization, well-qualified employees that could have potentially stayed on given upskilling or reskilling of their competences left with expensive severance packages. The bank also experienced that new tech-savvy employees were costly and had high turnover, hence making the reskilling and upskilling alternatives more attractive for FinCo to develop. Competence development provided the internal employees with new opportunities and reduced the need to recruit new competencies externally.

> *We recruited a lot of new, more expensive, younger, more digital people... But the turnover was much higher…and it has pushed the cost quite a lot…We realized that you cannot run the digitalization in this way, you need to be more focused on upskilling your own people. (TM-1)*

Although many employees left the organization through the downsizing processes, redundant employees were also reallocated into internal jobs. One important HR tool to facilitate this internal outplacement is *JobCenter*. JobCenter is an internal job center where redundant employees can be employed for as long as two years. In this period, they can take on temporary positions and can get coaching and help to develop their CVs. JobCenter has full-

time employees from HR who support temporary employees, and the center is an important structure, as illustrated in the quote from the HR manager below.

> *JobCenter turned into one of the most important tools for FinCo to implement change. Because at that time, it was such a large-scale operation, there were so many employees [affected by closed branch offices]. The JobCenter was one of the most important structures we put in place. (HR-3)*

The idea for JobCenter was launched by the CEO who took office in 2007. JobCenter contains two functions: an internal job center where downsized employees are reallocated and a service center where highly qualified internal temporary workers are for hire. In FinCo, this had previously been organized into two separate centers, yet a key learning was that the job center tended to be stigmatizing and perceived as a last resort for redundant employees. The management and HR wanted to avoid such a reputation for the JobCenter and took several actions to make the center into a desirable opportunity.

> *Initially, we had a cultural challenge, where the narrative was a bit like 'this is where the leftovers are' and 'it was hopeless and the people there were incompetent.' So, we have worked quite a bit with that [mindset]. (HR-5)*

Furthermore, HR added new tools to the JobCenter portfolio, including the opportunity to explore new career paths through temporary positions. The HR staff quoted below explain the opportunities employees gain access to in the JobCenter and how working on the center's status is an ongoing effort.

> *You can try something out, take a temporary position or an internship, you can get some opportunities before landing a new position. You can use it as a lookout for new jobs. And then you get coaching and whatever you might need to sort out which path is right to walk down. (HR-5)*

> *I am still not sure we have turned it all the way around to it being popular, but we have put some measures in place. We have said that it is completely fine to be in JobCenter*

over time if you take on different shorter or longer placements in the organizations. (HR-4)

Employees who have spent time in the JobCenter have said that they had learned a lot about themselves, what competence they had, and that they had built confidence to move on into new positions:

I was transferred to JobCenter where I was followed up by a coach. I learned a lot about myself. When I was transferred, I thought that I knew nothing. But after spending a month with the coach by my side, I had a very long CV... Then I served as a temporary employee several places...until I got a permanent job. (Employee)[1]

Another measure to boost the JobCenter was to place some reskilling programs within the center. The reskilling programs are designed to give employees new skills in areas where FinCo sees a need for resources in the future, including artificial intelligence and robotic process automation, data science, and anti-money laundering. As explained by one HR manager, the reskilling programs are developed for different competence areas and involve employees going through a recruitment process, training, and eventually getting a position suitable for their new skills:

[The competence division in HR] have initiatives that do not apply for all employees but is a corporate priority. One example is anti-money laundering, where there is a reskill track to educate a cohort. We have had the same on data scientists, where the market was drained for external recruitment. So, then the division set up reskill tracks. The latest example is a reskill track on IT engineering. I think it is about 15 people, with partly technical, but not programming background or people who are not technical at all but who have said they were interested. They have been through a recruitment process and qualified to be part of the reskilling program. They will have a fixed position in one of the tech families after the program and are now in an intensive 3-month training track. (HR-2)

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[1] Quote drawn from previous research in the case company, as described in Table 2.

For the duration of the reskilling program, the employees are part of JobCenter. After the reskilling program, they either return to their business unit in their new roles or enter another business unit.

To raise the status of the center, the CEO deliberately gave the center a lot of attention and promoted the job center on the internal communication platforms. This was highlighted not only by the CEO but also by HR staff, as shown below. The CEO was conscious that the JobCenter needed support from the top management to succeed, and he directed more of his attention to this over the other competence-enhancing programs, such as the leadership programs, which had less controversy and status issues in the organization.

> *A positive force has been to have an attentive CEO who says that 'this is good stuff.' The CEO visited the JobCenter and there were articles where the CEO encouraged and talked about the center and the opportunities. (HR-5)*

> *It took quite some time to boost this initiative and get a good allocation of resources. It is a quite demanding job to work with redundant employees and to manage a substantial shift in the competences of senior employees. (TM-3)*

Although JobCenter is important to promote reskilling, the employees are also encouraged to take part in *upskilling* programs to renew their competences and stay updated and relevant to their employer. Although upskilling is important to be prepared for technological developments or new changes in FinCo, the upskilling programs are not tied to specific change initiatives but constitute a set of general tools in the toolbox to support employees. The management now expects all their employees to constantly upskill their competence, as shown in the following quote by one HR business partner:

> *We want our employees to take responsibility for their own careers and competences. (HR-5)*

Continuous learning and development are promoted by HR and involve low-scale training efforts related to new technology and work-from-home topics, which the managers can

put on the agenda or employees can purse themselves. The quote from the HR manager below illustrates how HR works to facilitate opportunities for learning to support employees.

> *FinCo and the industry is changing, and everyone must consider what their role will be in this development, there are a lot of opportunities… We have a lot [of tools to enable pursuing opportunities], including Motimate, LinkedIn Learning, and an abundance of information on the intranet. (HR-1)*

How HR supports managers during change

Another way HR can build change capacity is to support managers. We found two practices in the HR toolbox, including HR business partner and leadership development programs.

To have a close relation to the business units, the HR department in FinCo has developed an "*HR business partner*" role, where HR staff are dedicated to different business units and top management. The HR business partners aim to be strategic partners who contribute to the early phases of change efforts, ensuring that employee issues are attended to during change and development. By taking on this role, the HR staff become involved at an early stage in all types of processes, including change, and obtain useful information, allowing them to plan their own involvement, organize necessary structures, and prepare the organization for an upcoming change. The excerpts for the HR managers below illustrate how HR staff work to maintain a close relation to the business units.

> *The motivation behind these [business partner] teams is to organize a relatively large portion of the HR function to work close to the customer [i.e., the business units] … and attend to their needs. (HR-2)*

> *You build trust, and it becomes natural to discuss with the HR partner, who usually also attends the [unit′s] management meetings. You [the HR business partner] get involved early, and you can spot when something is happening; [for example, whether] we should involve union representatives and prepare for change processes. Hence, we can give*

better advice and prepare our own organization [the HR staff] and union representatives. (HR-1)

Through the HR business partner role, the HR can also make sure that managers get the support they need to handle change and steer them through rules and procedures where it is easy to get lost and make mistakes. As the next quotes illustrate, the business partners secure that change processes are compliant with established rules, and they support managers during a change.

When I worked as a business manager, I experienced that I had an ally [in the HR business partner] who supported and helped me with different considerations and to secure that we were compliant with the rules. (HR-5)

… the managers who were handling downsizing processes…had a lot of support [from HR business partners] in how to run the change processes and how to handle emergent situations when we closed branch offices. (HR-3)

Moreover, the HR business partners can coach the managers to become better at managing their employees, as their close collaborations enable the HR to detect what areas the managers can develop their skills:

...independent of change processes, we are close to managers and observe their strengths and weaknesses. The HR business partners have a lot of one-on-ones with the managers where they can give feedback and comment on how they act in management meetings or if they have been observed in general meetings. So, they [HR business partner] can give, I would not say corrections, but more or less encouraging feedback around the direction to develop. (HR-2)

Although an important role for the HR business partner is to support the business unit manager, they also take on a more proactive role in setting the agenda for the business unit regarding people issues. One HR manager explained how they have made use of employee and organizational data when raising different topics to management groups:

We have been able to work more systematically—bringing with us employee and organizational data that enable us to frequently and systematically put things on the agenda. It enables both top management and their management groups to frequently go through relevant and important organizational development themes. (HR-1)

In addition to taking on the HR business partner role, the HR has also seen the need to take a systematic approach to prepare the managers for the upcoming changes in the bank and build change capacity. Hence, as the HR manager below illustrates, the HR department started to develop new *leadership programs* aimed at strengthening managerial skills in communication, leadership, managing change, and strategic thinking.

My experience is that we, over many years, have initiated serious leadership development, which has made our leaders quite competent, both in understanding their role, employees, union representatives, and generally what good leadership/management is. (HR-1)

The flagship program was a top management program contracted with a well-renowned international business school. This program was not only instrumental in formulating strategy and bringing leaders on the same page, but it also proved to be worth its value when it came to implementation. The HR manager who had directed the program compared it to a strategy implementation tool:

The top management program with [the business school] turned into a strategy implementation tool since we gathered people to work on corporate problems. So, that was one of the initiatives that met the need of managers, equipped them for the change we were dealing with, and that in a way gave power to the change work. (HR-3)

How HR sets the rules for change

Above, we have explained processes and practices the HR department can develop to support employees and managers in the change processes. In addition, HR has an important task in setting the rules for change. These are rules and procedures that streamline the change practices and ensure equality and fairness across business units and over time. However, such

rules may also be regarded in a less positive light, as they can restrain the autonomy of the individual managers, particularly in recruiting and reallocating employees internally.

The HR has responsibilities to make sure FinCo, as an employer, complies with labor regulations when implementing change. Equally important is to install *professional change policies* to ensure that change is implemented consistently across the organization and over time to be predictable and ensure fair processes for the involved employees. HR staff discuss that the rules they set for change through the established processes are important to build capacity for change:

> *Thorough processes create both greater predictability and higher quality in the things you do. It ... helps the organization through [change] in a good way. (HR-1)*

> *In FinCo, there are predictable and good processes. [There are] sound change policies and good HR processes for [change]. I think that is a significant fundament to have in place. The safety net that one will be taken care of–that is important. (HR-3)*

> *We have pretty much had clear-cut and unambiguous processes for change. How do we do this, what are our policies? I most definitely believe that that is one of the things that have been most important, for one to feel safe and to trust that the processes are sound and fair, that people are treated in a good way. (HR-5)*

The HR department is involved in all recruitments and coordinates FinCo's activities on a company scale. The intention is to make sure that they handle the recruitment professionally and consistently in all onboarding and offboarding activities.

Rules that restrict managers from external hiring backs up mobility efforts. Internal candidates are given "first shot" at jobs, and managers are encouraged to pick internal candidates. This may come at a cost. When managers cannot recruit from the market, a higher cost of training and a poorer fit for positions may be the result. Such practices prove to the employees that FinCo strives to take care of their employees and give them job security and new opportunities by investing in training. FinCo's HR department has not only made it more

difficult for managers to recruit externally but has also held back positions to make room for future reallocation processes. One HR manager explained how holding back positions was used as a tool in a recent major change initiative and was organized by the involved HR staff:

... I think it has been a bit unique that FinCo has held back positions that should have been advertised, with the thought that there will shortly be a need to offer alternatives, and [FinCo/HR] has been very proactive in trying to match and get managers who need people, to convince them that there are internal candidates; if one is a bit patient and give a bit of training, then it is a satisfactory alternative. It has not been very easy, but with good work of [HR-4] and co, we have gotten many resolutions this way. (HR-1)

As could be expected, many managers were not happy about this intervention. They would prefer to recruit people externally with specific skills rather than recruiting internal candidates from other parts of the organization who would need more training to fulfill the same position. As such, HR practices may restrict the degrees of freedom for individual managers but for the purpose of greater good in the organization. In the quotes below, two managers reflect that providing job safety at the expense of the manager's freedom to recruit is a double-edged sword.

Some leaders got upset if they got some of the redundant instead of hiring a temporary employee themselves. So, there was some internal resistance, but not a lot. And after a while, my impression was that it was very good, even if it took some time. It for sure contributed to a greater sense of safety. (TM-3)

It should be noted that it is a difficult process for the other managers. [They]cannot go external [and] must go internal; and in addition, they cannot have a regular round of recruitment but must wait and see if a redundant employee wants the position. And we say that there must be a match and so on, but you [manager] get a certain pressure. So, there is surely a few managers who are not satisfied with this. But then again, that is some of the cost one must take when being in a large system as FinCo. (HR-1)

HR restricted temporary hiring, which served to boost the JobCenter. Requests for temporary workers were to be funneled through the JobCenter. As the quote by the HR manager

below shows, the actual use of external temporary workers was reduced by this measure. The employees currently on the JobCenter roster could be matched up to internal temporary assignments. This gave the managers access to temporary employees who knew the organization. For the employees in the JobCenter, this was a chance to expand their work experience and build skills that could help them get another position later.

> *We reduced all temporary hiring for a period because we wanted to make use of those who were redundant and worked in the JobCenter …It was a dramatic reduction of temporary workers since we had people internally who could come in to solve a lot of the simpler tasks. (HR-3)*

HR's outreach to other stakeholders during change

In FinCo, the HR department has deliberatively worked to take on a more strategic role of HR by allying with the strategy and communication departments and the top management. Leaders of HR talk about the holy trinity of strategy, communication, and HR and argue that you need to work closely with the key change agents to build change capacity:

> *In my view, you will not succeed in making HR a forceful change agent if you do not ally with other functions that have a similar agenda. (HR-3)*

The need to team up with the strategy and communication departments has also been driven by the need to handle the interdependencies inherent in the HR role, where the HR staff is typically responsible for handling cross-divisional tasks, but also with limited resources and formal power. As such, HR has both expanded their pool of resources by accessing other departments' resources but has also taken on a role where they can be at the forefront of decisions and hence be a better HR business partner to the business units.

> *Traditionally, we have been involved when the decisions have been made by the management. Then, you need to set in motion more formal processes, such as involving*

the unions…Our aim has been to have a role where we are more involved at an earlier stage, and I think we have succeeded. (HR-1)

By teaming up with the strategy department, the HR staff are familiar with the strategic agenda that enables them to be a relevant and strategic partner for the business units. It also allows them to take a more proactive role in developing the new leadership development programs, such as the flagship program. One HR manager elaborates on how they could use the leadership development program to address pressing issues:

We worked quite targeted with the leadership development programs, where we had leaders from across the business units work together on strategic issues. We had a top management program we ran with [the business school], where we picked themes that were important for all managers to understand. And then, we let the participants, in between the gatherings, work on some strategic issues to address concerns the top management group had. Through this, we achieved results and stimulated out-of-the-box thinking. (HR-3)

By teaming up with the communication department, the HR staff could also provide more organized and seamless assistance to the different departments about to implement changes, and our interviewees suggest that this strong coordination between the departments had evolved over time. For instance, a top manager illustrates this by talking about how training components had become better organized and coordinated between departments.

It was very well organized… where you as a leader were given these "packages" with different messaging and presentation, and the types of activities and how to initiate them…In the old days you would have one from HR who brought in something or someone from the communication department, but later, it was much more streamlined. (TM-1)

Moreover, HR can take a more proactive role in communication and coordinate the different interventions in their assistance to the business units. This argument is illustrated in

the quote below, where one HR manager explains how HR staff can involve their communication department to strengthen managerial communication or presentation skills.

> *We have a toolbox in the form of having an internal communication agency who also provide leadership counsel/advice. We can suggest either to the manager directly that the communication department has this and this course, and you should connect with them and train for a specific presentation or generally get advice. Alternatively, we talk to the manager's leader and take that route say that we observe that [a manager] is not so good at this and that, perhaps you can talk to them. (HR-3)*

In addition to aligning themselves with the strategy and communication departments, the HR department has a key role in involving the unions. They a responsibility to involve unions in the formal processes, ensuring that the organization complies with the rules and regulations during the change processes. However, FinCo's HR department also involves the unions more informally by bringing them onboard early in the process, as shown in the following quote:

> *It's common in larger change processes to establish project groups… Often, the unions are offered to take part… In other settings a Vice President or HR business partner invites them to a chat quite early in the process…Once you have a rough sketch of what you plan to do, you set up a meeting with the unions to get them onboard. (HR-2)*

To have the unions onboard is important when presenting the plans to the employees. This is important, as explained by one HR manager, because then the HR business partners can say that the unions are informed and have been given the opportunity to influence the process:

> *The HR business partner can (tell the employees) that the unions support the change. The do not necessarily agree with the change in itself…but they understand why and have been involved. (HR-2)*

Moreover, the unions get a say when it comes to downsizing. The unions decided early on in FinCo's downsizing history that they would rather work to secure their members' income and avoid layoffs than resist downsizing:

We have realized that there is going to be downsizing. We cannot stop it from happening, and I honestly don't know if we should. We would have been dragging our feet if we demanded to have the same number of employees today as some years ago. (Union representative)[2]

Hence, the unions played an important part in negotiating the best terms possible for their members and avoiding layoffs. A top manager explains how the unions work to ensure the best solutions for their employees.

The unions have been skeptical when it comes to offshoring and outsourcing, but they have been more cooperative when it comes to reallocating personnel and downsizing. [The unions] have first and foremost been focused on the content of the severance packages. If these packages have been generous and people are not forced to leave, the unions have been compliant. (TM-3)

Moreover, the unions influenced HR and FinCo's shift from severance packages to reskilling and upskilling, arguing that the severance packages and recruiting new employees were much more costly than upgrading existing employees for new tasks, as well as being a better policy for a large employer like FinCo.

Discussion

In the above analysis, we showed how a previously understudied group, HR staff, can contribute to developing OCC through processes and practices targeting different organizational members. Indeed, in FinCo, the HR staff have established a well-functioning toolbox and infrastructure for change. In this section, we discuss our findings in relation to existing knowledge and develop theory explaining how and why these measures from the HR toolbox contribute to developing OCC. An overview is presented in Table 4.

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[2] Quote drawn from previous research in the case company as described in Table 2.

HR target areas	Processes and practices	Contributions to building OCC
Employee focused	Severance packages JobCenter Competence	Providing employees with opportunities to handle change and develop new work-related competencies. Creates experiences of safety during change, benefitting future change initiatives (by contributing to reduction of uncertainty and fear).
Manager focused	HR business partner Leadership development	Strengthens operational line managers' change management and strategy/strategy implementation through development programs and through close relations with the HR Business partner.
Setting the rules	Recruitment policies Coordination	Builds robust organizational infrastructure. Creates stability and responsibilities related to routines of change. Coordination through central HR can facilitate a consistent infrastructure fostering perceptions of organizational justice, with similar practices, processes, and polices across the organization.
Outreach	Include unions Enlarge the HR agenda	Creates consistency and coherence, both in aligning organizational members and building legitimacy around the infrastructure.

Table 4 – HR process and practice contributions to organizational change capacity

HR supporting employees during change

Existing literature has argued that OCC is developed through organizational members, infrastructure, and culture (Buono & Kerber, 2010). Among organizational members, both management and employees can contribute to OCC. Employees who have previous experience with change, and particularly positive experiences of the change process, tend to be more supportive of subsequent changes (Stensaker & Meyer, 2012). Management plays an important role in this in terms of how they manage the change process. Careful attention to participation,

sequencing, and mobilizing in one specific change process can develop capacity for future and/or parallel changes (Huy & Mintzberg, 2003; Meyer & Stensaker, 2006). Our analysis adds to the above knowledge by showing how HR staff can enhance the capacity of both employees and managers through targeted efforts.

Supporting employees directly through severance packages, the JobCenter and competence-enhancing programs provide two types of security: financial security and job security. Employees are liable to be receptive and supportive of organizational change if a safety net exists in terms of their own personal financial situation. Developing tools focused on employees aligns with the prescribed HR role of being an employee champion (Ulrich, 1997). Our analysis shows that when designing supportive efforts, HR staff draw on their additional roles and responsibilities to ensure that their practices contribute to meeting strategic goals (e.g., reskill employees to take on tasks in high demand) and are compliant with rules and regulations.

This notion of a safety net for employees is also deeply embedded within the national and institutional context and thus aligns well with cultural norms within the Nordics. Similar measures in a different institutional context may have different effect. Nevertheless, particularly when changes are introduced at a high pace, the security provided by measures targeting employees directly, such as the ones found in our study, can be beneficial for OCC. In addition to providing job security through JobCenter, HR offered employees support in finding and embarking on alternative career trajectories. Employees then experience, either on their own behalf or by observing colleagues, that the organization invests in its employees to bring them along on the change journey, rather than simply replacing them. Organizational members mobilize their experiences when dealing with potential uncertainties and fear connected to change (Stensaker & Meyer, 2012), so the organization can in future change initiatives benefit from their efforts to retain employees and create positive change experiences.

HR supporting managers during change

The measures taken by HR staff directed toward managers provide a sense of security for managers in terms of becoming skillful change agents. Through the HR business partner role, HR staff work closely with operational line managers to support them during change and strengthen change management skills. The HR staff have an arena themselves to enact the prescribed change agentic role of HR involving providing support to the managers tasked with change (Ulrich, 1997) with the HR business partner role. When providing both change agentic and strategic support (Ulrich, 1997), HR staff can become key allies to line managers. This relationship is contingent on line managers themselves trusting the HR staff (McGovern et al., 1997; Truss et al., 2002). Our study shows how such trust can be built over time through interactions between HR business partners and line management.

Furthermore, incorporating strategic change and change agency within leadership development programs also strengthens management skills. These skills are not necessarily tied to a specific change but can be mobilized across different change processes. As both HR staff and general managers become skilled in managing change processes, employees are liable to experience increasingly professional and predictable processes or routines. Previous research has suggested that mobilizing familiar processes creates opportunities to build trust in the processes (Meyer & Stensaker, 2006), and our findings show how such process skills can be developed.

HR setting the rules for change

Existing OCC research suggests that routinizing change and using similar structures and processes for different types of change can foster trust between employees and management (Meyer & Stensaker, 2006). As discussed above, a line management's approach to change can be a part of such routines, but our study also uncovered specific measures taken by HR staff to ensure consistency over time, across organizational units, and across organizational change

initiatives. By setting specific boundaries, such as not allowing for new external recruitment, HR staff connected the different change initiatives and strengthened the effects of other measures. For instance, JobCenter would not have been as influential had HR allowed for external recruitment. With the HR business partner role and the responsibilities over recruitment processes, HR can ensure that line managers across the organization comply with the developed policies. Through harmonized policies and rules, HR staff can further ensure logic and consistency across change initiatives, maintaining the organizational infrastructure for change and securing similar procedures across organizational units and over time.

The notion of fairness is consistent with organizational justice theory (Cohen-Charash & Spector, 2001; Greenberg, 1987, 2009), which emphasizes employee perceptions of justice. Particularly in the context of organizational change, perceptions of procedural justice among organization members have been found salient (Karriker, 2007; Kickul, Lester, & Finkl, 2002; Korsgaard, Sapienza, & Schweiger, 2002; Tyler & De Cremer, 2005), referring to the decision-making procedures—how decisions about change and change processes come about. Procedural justice theory is concerned with decision-making processes, and our study builds on and extends this line of thinking by illustrating how the establishment and repetitive *use* of well-functioning structures and processes for change can create perceptions of fairness and foster trust in the process. Ultimately, such trust in the process can translate into capacity for additional change.

HR's outreach to other stakeholders during change

A final component in the HR toolbox is involved with connecting with other internal stakeholders. Because our respondents worked so systematically at this, we view it as part of the change infrastructure. These measures provide capacity by ensuring a unified and well-aligned approach to change across different staff functions (HR, communications, corporate staff) and with other internal stakeholders, such as unions. Indirectly, such unified approaches

will facilitate management and employee understanding and support for change. In addition, it strengthens HR staff's abilities to influence the process and its outcome. By taking on a role as a coordinator to align efforts with other stakeholders, HR builds its own competence and legitimacy in developing effective tools targeting organizational members. For instance, by working closely with the communications department, the HR department gains traction and becomes more forceful in its supportive role of line managers.

Conceptualization of the HR Toolbox

We conceptualize the various ways in which HR can contribute to OCC as a toolbox. Although this may seem rather instrumental, the benefits of the toolbox metaphor involve the notion that toolboxes consist of many different tools that can be used in somewhat different ways for different purposes. The toolbox is filled with processes and practices HR staff apply to support organizational members and strengthen the organizational infrastructure in developing capacity for change. The toolbox can be further developed and upgraded over time by developing the processes and practices.

We have drawn on Ulrich's HR typology, which consists of four distinct HR roles (Ulrich, 1997). Our analysis suggests that to make effective use of the toolbox for developing OCC, these roles need to be combined. Employee support not only involves taking care of employees or championing their concerns but also developing practices providing job security and building opportunities for them to pursue new careers and to develop their competence accordingly. By maintaining the role of strategic partners, HR staff develop practices that align with the future needs of the company. These efforts make organizational members, both employees and managers, more robust and increase their capacity to handle change while providing positive change experiences that benefit future change initiatives.

Although the targeted interviews provided insights into the HR toolbox, our long-term research engagement with the case company was the one that initially made us curious about

how the HR toolbox had developed and become more extensive over time. Worley and Lawler (2009) referred to change capacity as a muscle that gets better with exercise; however, in addition to developing the ability to use certain tools, our analysis suggests that the toolbox can become richer and filled with more sophisticated tools over time. The JobCenter serves as an illustrative example of this. Through a series of growth-related changes in the 1980s and 1990s, the HR staff became well-skilled in merger and acquisition integration processes that involved moving people around and downsizing. It was at this time that JobCenter was established. Through digitalization and process innovation around 2000–2010, the HR staff learned to handle technology and efficiency-driven changes, largely targeting how services were delivered. JobCenter was then further developed while additional measures, such as limiting external recruitments prior to the initiation of yet another change involving downsizing, were enforced. The most recent wave of changes has involved service innovation in the front end toward customers that required all staff to become increasingly innovation focused. The JobCenter was then expanded to also include new capabilities tied to technologies, such as AI. These waves of change consisted of some specific types of challenges, leading HR to develop tailored tools for the changes. Nonetheless, similar for the three waves was the tendency to involve numerous parallel and overlapping processes and to try to reuse and refine previous practices.

Boundary conditions and transferability

When assessing the boundary conditions and potential transferability of the findings, certain factors must be considered. This study builds on a case study from the Nordic financial sector, where the role of unions as key stakeholders during change is regulated by law. In other institutional contexts, unions may not be as prominent, suggesting that HR staff may need to align with other stakeholders. Rather than negotiating with unions who represent the larger workforce, HR staff may then need to negotiate with a larger number of individual employees.

The notion that HR needs to align with important stakeholders may still be transferrable, whether it be influential actors in the organization or external interest groups or communities.

Contributions to the organizational change literature

This study set out to examine HR's role in developing organizational change capacity. Based on a case study of a Nordic financial institution, we have shown how HR practices and processes are systematically developed and tailored to contribute to a capacity for change. Our study contributes to theory on OCC in two important ways.

First, we identify and unpack the role of HR staff as important contributors to building organizational change capacity. Existing research has focused on managerial and employee roles in developing change capacity (Buono & Kerber, 2010; Heckmann et al., 2016; Meyer & Stensaker, 2006), whereas the role of supportive actors has been overlooked. However, HR plays a significant role in supporting organizational members through change and developing change policies and the organizational infrastructure for change. To effectively take on this role, HR staff align their efforts with other stakeholders in the organization. Our findings thus extend theory on OCC by showing that supportive units, such as HR, have a role in building capacity. Future research can further explore the role of other supportive units, such as the communication department or corporate center, in developing organizational capacity for change.

Second, our study adds to theory by documenting the practices and processes HR staff develop and make use of when contributing to building organizational change capacity. In our findings, we present several processes and practices that are part of the HR toolbox targeting different actors and areas in the organization. Previous conceptual research has suggested that different routines and processes influence change capacity (Meyer & Stensaker, 2006), and we add to this by empirically showing the systematic work conducted by HR staff in developing

and leveraging their practices. Through HR practices and processes, such as offering competence development for employees and managers and setting the rules for change, the "change capacity muscle" (Worley & Lawler, 2009) is trained and maintained. With their practice of having HR business partners, HR staff can closely follow up on managerial and employee ability to handle and implement change. An avenue for future research to complement this contribution can be to explore further how HR staff collaborate with the line organization, through HR business partner roles or in other ways, to gain legitimacy and effectively leverage their practices and processes to build change capacity.

Practical implications

Several important practical implications can be drawn from our findings. First, HR staff can develop a toolbox by which they contribute to developing OCC with various processes and practices targeted at different actors and areas. Drawing on the toolbox presented in this study, organizations may consider what their HR toolbox consists of and assess whether they have effective processes and practices that contribute to giving the organization the capacity to handle future change processes. For instance, if a review of practices reveals that competence development is only available for some employees or only managers, the HR staff might want to explore how they can develop and expand their toolbox to give opportunities to more employees. Maintaining outreach to internal stakeholders can then be useful to develop practices that become effective to reach strategic objectives in the company.

Second, the findings from this study illustrate how HR can have a potential role as "gatekeepers" in recruitment processes when they, for instance, set expectations to managers to recruit internal candidates. One practical implication of this is that HR can be attentive to how their practices are intertwined, as being strict on recruitment can strengthen their other practices related to internal mobility efforts. Another aspect of being aware of the potential

strength of leveraging their responsibilities in recruitment processes is that in instances where the organization is preparing for multiple and demanding change, which can lead to redundant employees, HR staff can coordinate and align their efforts to be able to support managers and employees with internal positions and possibilities.

Third, a key implication to draw from this study is that building a capacity for change is a systematic and ongoing effort. HR staff employ processes and practices that not only concern ongoing change initiatives but promote, for instance, competence development for managers and employees. Having a long-term and strategic view on developing and strengthening organizational members' skills and capabilities becomes an investment the organization can benefit from when change initiatives are launched. The competency programs can also become catalysts for change and implementation practices. This calls for organizations to continuously invest in creating opportunities for competence development and be attentive to how these development programs can be utilized to drive change in the organizations.

The findings from this study may be recognizable for other companies with centralized HR departments that have resources to develop competence programs and a potential for internal job markets. Many companies, however, attempt to implement multiple changes with far fewer resources and options for their employees to pursue. For organizations where HR staff may comprise only one or two persons, the toolbox of practices and processes is different. Nevertheless, HR staff can focus their attention on developing suitable practices and processes for their setting, with the aim of creating positive experiences from change by providing job safety or maintaining coherent processes, which can contribute to building the capacity for change in the organizations.

Conclusion

In this study, we have examined HR's role in developing organizational change capacity. We find that HR staff's processes and practices contribute to developing capacity for change by supporting and developing organizational members and by developing the organizational infrastructure for change. Together, these findings contribute to theory on OCC by unpacking the role of HR in building capacity and by elaborating the practices and processes HR staff employ.

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