

Determinants of Employee Adaptation Processes in the Digital Economy

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Abstract. The purpose of this paper is to identify determinants of employee adaptation process and to evaluate the strength of their impact on the above-mentioned process. Using the Concurrent Nested Design strategy (Creswell, 2003), 165 employees among five companies rooted in the digital economy had been questioned parallel to their employers being interviewed. The research shows the existence of three different factors (individual dimension, characteristic of an organisation and characteristics of the business context) determining the efficiency of employee adaptation processes. If preceded by thorough selection process, the individual dimension has the weakest impact. The post-adaptation satisfaction is higher among companies offering flexible and personalised programmes, and the context of business operations influences the level of cross-cultural training. The paper extends previous studies with the number of perspectives and factors taken into consideration as well as suggesting some solutions depended on an individual company's settings. The research was conducted before the COVID-19 pandemic, hence had not taken into consideration the process being conducted remotely. Hence, further research is required involving employees experiencing on-boarding process before and during the pandemic, as well examining companies on their approach to the adaptation process over past few years to identify the trends and examine efficiency of on-line employees' adaptation process.

Keywords: On-boarding, adaptation process, newcomers, technology, digital economy.

1. Introduction

Growing possibilities created by new technological breakthroughs, including nanotechnology, bioscience, robotics, Big Data, IoT, machine learning, artificial intelligence or VR/AR, directly affect many industries in digital economy (Caputo,

Cillo, Candelo & Liu, 2019). As a result of globalisation and rapid development of digital technologies, not only has been changed the quality of life, but also efficiency of businesses and forms of work organisation (Tverdushka & Stoliaruk, 2020). In order to meet all the challenges, contemporary organisations more and more often opt for hiring employees from different cultural circles or location. At the same time, employees themselves more and more often show initiative in searching for job outside their country of origin (Kubica, 2012) or willingness to work remotely during the pandemic. Thus, international companies need employees who easily adapt to new work circumstances, are able to work effectively in virtual teams and communicate with colleagues speaking different languages.

In such turbulent times, the employee adaptation process has become more complex and crucial than ever. To become full-value workers, a newly hired must adapt to the organisation as such, to their new role and to responsibilities requested from them. In addition, he or she must familiarise (virtually) with physical work conditions and assimilate with co-workers, supervisors and/or subordinates who often come from far different cultural circles and time zones. Hence, the adaptation process can be located at the contact of economic, sociological, cultural (anthropogenic) and psychological issues (Lavigna, 2009; Armstrong, 2010; Putzier & Baker, 2010).

Therefore, the main aim of the undertaken study is to clarify the essence of the process of employee adaptation in digital economy, determine its efficiency and importance for an organisation and for employees themselves through identification and validation of the factors determining success of the adaptation process.

2. The employee adaptation process

2.1. Individual dimension

In general terms, adaptation can be understood as the process in which one “changes slightly over time to be able to continue to exist in a particular environment” (Cambridge Dictionary, 2020, adaptation entry). Hence, the employee’s adaptation process should be seen as a link between recruitment process and further performance, as through a series of sub-processes transits an accepted applicant into a productive employee. The candidate to be accepted has to meet a set of boundary conditions being determined by a company’s requirements (particular set and level of competencies) as well as proof his/her motivation to work for the particular company, and on a particular position. As more and more jobs become technology-intensive, all employees will need some baseline technology competencies to meet the demands of businesses operating in the digital economy (Karsten, 2019).

However, even a good fit based on the above does not guarantee a successful adaptation and newcomers’ engagement (Saks & Gruman, 2010). There are several factors being associated with efficiency during and after the on-boarding process.

They are related to employee's age, education, language proficiency, nationality (the country of origin), seniority and professional roles already held. To develop higher person-job (PJ) fit recruiters should consider career orientation (goals) and intercultural awareness. In an analysis of factors contributing to intercultural effectiveness, Fisher and Hartel (2003) identified three personal factors, i.e., ability to: (1) communicate effectively, (2) establish relationships, and (3) cope with psychological stress. They argued that the greater cultural differences, the more important emotional maturity is for one's performance (Fisher & Hartel, 2003). According to affective events theory (Weiss & Cropanzano, 1996), emotions are reactions to important event, and - regardless of gender, starting a new job (business readjustment; change to a different line of work) is considered as such (Holmes & Rahe, 1967). Therefore, socially intelligent people can adapt their behaviour in a wide array of social situations (Cantor & Kihlstrom, 1987) and achieve full efficiency earlier.

When newcomers enter organisations, they expect undergoing a socialisation process to reduce anxiety, and seek information to reduce uncertainty, which includes learning how to perform professional tasks and becoming socially accepted by peers (Bauer, 2010; Saks, Uggerslev & Fassina, 2007). Having worked before, they have already had more opportunities to utilize strategies to seek information and socialize with others, see what works and what does not, and additionally, if the approach taken leads to success, these adaptive strategies will have been reinforced (Bauer, 2020). Hence, individual adaptability skills, developed over the course of work experience and job changes, equip an individual in different strategies how to learn and interact efficiently with co-workers, resulting in better performance and engagement. This leads to the following hypothesis:

H1: Employee adaptation process is determined by newcomer's individual features.

2.2. Organizational policies and practices

It goes without saying that the faster a new employee feels welcome and trained, the faster (s)he will be able to successfully contribute to the company's strategy and associate with the company's mission.

Research and common wisdom both suggest that employees get about 90 days to prove themselves in a new job (Kubica, 2012). Every organisation should have its own tactics and procedures through which newcomers gain knowledge, skills and learn behaviours required to function effectively (Bauer, 2010). As noted by Saks (Uggerslev & Fassina, 2007) it allows newly hired to experience meaningfulness (being valuable for a company), safety and availability (resources necessary to perform new job and role are available, tasks consistent and structured), resulting in higher level of engagement and quality of work. However, a study conducted in the States and UK had found that companies lose yearly around \$37 billion as a result

of employees not understanding their jobs (Cognisco, 2010) and those without consistent on-boarding processes, have higher turnover rate among newcomers, costing the companies up to 7% of their yearly remuneration budget (Armstrong, 2010). Awareness of how important the human factor (in particular the employees' experience) is, has been deepening in the field of digital transformation. Not only do companies focus on the development of infrastructure (information technology, security) but broaden a scope of people involved (Tverdushka & Stoliaruk, 2020). The key onboarding roles should therefore be allocated to HR, senior leaders, managers (and/or supervisors), sponsors/buddy, and co-workers being already employed (Lavigna 2009). Of course, the variety of people involved, and the range of activities and tools used (Figure 1.) depends on a company and its financial situation and its maturity.

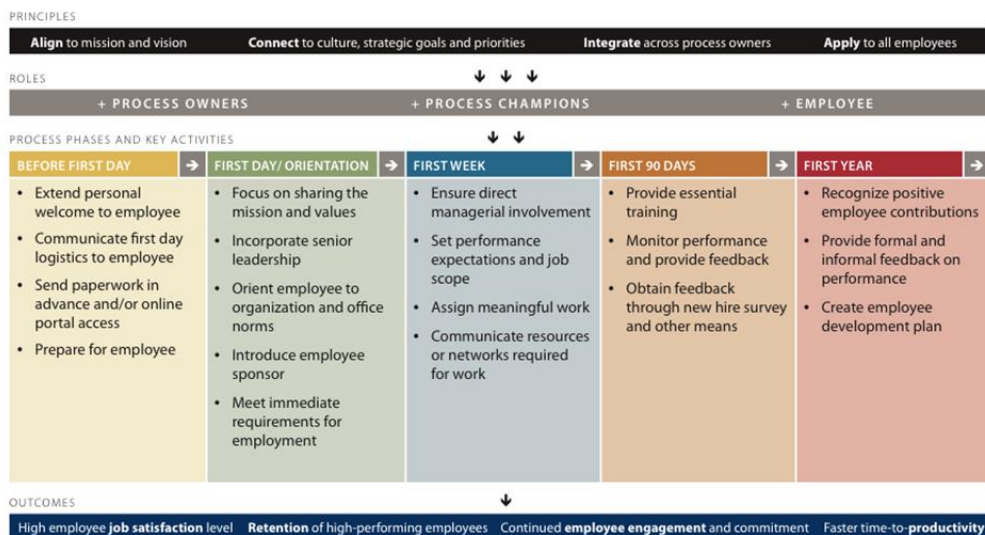


Fig. 1: An example of a mature on-boarding process (source: Getting Onboard, Lavigna 2009, p. 67).

On that basis, while examining the efficiency of an on-boarding process from company's point of view, following factors should be taken into consideration: company seniority (length on the business performance), its size, the country of origin, and industry. The unique characteristic of a company is present also through its corporate culture, company's policies and procedures, and the formalisation of the process itself. Therefore, the following hypothesis was tested:

H2: Employee adaptation process is determined by companies' policies and procedures.

2.3. Characteristics of the environment

Every market is characterized by a specific cultural, social, geographical, political,

legal and economic environment that influences the degree of complexity and risk for commercial activities. By developing technology to enable workforce transformation, organisations create highly adaptable and change-ready environments, proactively predicting the trends in the turbulent times (n.d., People first..., 2016). It is human resources representing the key competitive factors in order to better manage those opportunities and face the threats of emerging digital demands (Tverdushka & Stoliaruk, 2020). Similarly, cultural sensitivity is a central resource for companies, allowing them for a better understanding of the cultural characteristics of a specific market. A better knowledge of cultural differences is therefore necessary to recognise stakeholders' attitudes and behaviours in a foreign market and achieve better results (Cartwright & Cooper, 1993). Those cultural differences affect company's interpretations and answers to strategic and managerial issues (Park & Ungson, 1997), as a target country consists of different geographic, demographic, economic, and institutional attributes and managers are unequally familiar with these contextual variables (Aharoni, Laszlo & Connelly, 2011; Håkanson & Ambos, 2010). Hence, when modelling an on-boarding process, one must consider the multidimensionality of distance, the market mode of entry, the control level, the risk that internationalisation implies (Kraus et al, 2016) and also the number of markets a company operates on. Moreover, the subject literature highlights the role of the diverse relationship and cooperation developed by companies with various stakeholder to transfer ("absorb") external knowledge (Caputo et al., 2019).

Taken together, transcultural on-boarding involves creating a process that addresses the learning and integration needs of newcomers from different countries and cultures while supporting current employees adapting to greater diversity in the workforce (Humbard, 2005). It needs also utilize company's capability to provide newcomers with necessary information, tools and support or training. Therefore, this leads to the following hypothesis:

H3: Employee adaptation process is determined by characteristic of the environment (business context).

3. Methodology

As a result of the numerous factors that can determine the research approach, the Concurrent Nested Design strategy (mix-methods) was chosen to investigate the employee adaptation process in the digital economy (Creswell, 2003). Qualitative research was assumed to be the leading method with a sub-method of quantitative research. Thanks to that, the broaden perspective was achieved as a result of the use of diverse methods, especially when different groups of respondents and organisational levels were determined. Among 5 companies in the digital economy (IT, services, Hi-Tech production) the total number of 165 employees answered the questionnaire.

As Tashakkori and Teddlie (1998), Morse (1991) and Castro (Kellison, Boyd & Koplak, 2010) suggested, quantitative data were collected from employees (online questionnaire, 55 questions), while the qualitative ones – from the management and/or HR department (2-3 interviews per company). Both types of data were gathered at the same time and analysed simultaneously – as two different pictures of the same complex process (adaptation process), not – as one might expect, by comparison of both data sets. It is understood that such an approach has some limitation. Not all aspects might be equally described by both sets of data (as both groups have different mindset and access to the information), the comparison is sometimes impossible and – what is especially crucial for QUAN-oriented academics, giving the priority to qualitative data, might face strong criticism.

Overall, this study builds on theories and empirical studies with sources of normally occurring data (literature, organizational documents) and sources of contrived data (interviews with HR departments, surveys addressed to individuals working in selected companies). The gathered data went under statistic verification of the presence of interdependencies between individual, organisational and environmental factors on employee adaptation. The detailed analysis (65 pages) is in the possession of the author, and only the main findings are presented in this study.

4. Research results and discussion

This study confirms that employees' adaptation is a complex process, determined by three groups of factors, i.e.:

- individual dimension
- characteristics of an organisation (organizational policies and practices)
- characteristics of the environment (context of business operation and work performance)

However, the significance (impact) of each of the above factors varies. Contrary to expectations, the individual dimension had the weakest impact (only education level, seniority and type of the position held were statistically significant). However, the set of competencies expected from a candidate prior joining (recruitment process), exhausted the list of competencies discussed in this study. These findings suggest that diligent job description and thorough selection process gives high probability of hiring a candidate with highly developed adaptability skills, making the future on-boarding process easier to conduct.

Another important finding was that companies of the medium level of internationalisation offer the most diverse and complex adaptation tools and pay more attention to cultural trainings. The leader in variety of the adaptation tools (and its digitalisation), was IT industry, with their employees feeling the most engaged and attached to the company after the process. From the HR point of view, “done is better than perfect” which suggests that active implementation of the on-

boarding programme has priority over sophistication and never-ending polishing of the process. The post-adaptation satisfaction was higher among those companies with flexible and personalised programmes, comparing to fully structured and same for everyone programmes. From newcomers' perspective, also socialisation tactics were valued higher than on-the-job training offered to them in the first week of the employment. It suggests that full-scale one-time adaptive-integration programs and short (but recurring) actions, including each time a greater number of employees, may prove equally effective and appreciated by the employees.

The context of business operations was unseparated with motives behind one's decision on applying (and taking) the job and precision in requirements listed in a job description. It was also the dimension in which cultural adaptation was put as highly desired in first weeks of a new employment. It has been also revealed that the more complex business environment, the longer it takes for newcomers to fully adapt to the organisation and co-workers (SD=4 weeks).

Taken together, with increase of the level of internationalisation and digitalisation, the complexity of the adaptation process increases too. Hence, the responsibility and accountability of people responsible for on-boarding is challenging as never before. To make the process fully efficient, the following set of actions has been recommended:

- job description revision and update
- identification of new “intercultural” competencies and their assessment during selection process
- current on-boarding process procedures revision; and – if there's not a such, their preparation
- individual and group / organisational on-boarding goals setting
- design and implementation of on-boarding KPIs
- selection and preparation (training) of people responsible for the on-boarding process
- awareness increase (e.g. through trainings) of the team members “welcoming” newcomers
- post-adaptation audit

The biggest limitation of the research lays in its domestic background, i.e. the majority of the companies taking part in the project was launched or operates on the Polish market. Hence, the global application of the expected model might be limited. The only chance to overcome that is to build a complex and universal model based on a statistic verification, and as such – try to replicate the research internationally in the future. Thanks to that, the number of variables would be minimised and only simplified model (and questionnaires based on it) offered. Hopefully, it would result in a higher number of companies involved and representing more diverse cultural background and cross-cultural maturity.

5. Conclusion

As only very few companies have decided to take part in the research, one might have an impression that companies do not pay enough attention to employees' adaptation in the digital economy. The most frequent justification of such a decision laid in either the lack of codified processes or fear from being confronted with weaknesses of the given procedures. It's especially shocking, as "not tangible resources" are key elements for companies in catching emerging market opportunities (Caputo et al., 2019).

It is somewhat surprising that employee adaptation process is still neglected, and management often does not see link between the quality of the process and frequent resignations from work (especially during first months of the employment), engagement and overall performance.

This is an important area to study given that in the pandemic time, the process has to be shifted from physical presence and interaction to virtual workspace and team meetings on Zoom. What is now needed is a comparable study involving employees experiencing on-boarding before and during the COVID-19 pandemic, as well examining companies on their approach to the adaptation process over past few years.

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