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A COVID-19 test

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Strategic human resource management in the context of environmental crises: A COVID-19 test

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Abstract
This article explores the gaps in strategic human resource management (SHRM) research exposed by the COVID-19 pandemic in order to guide future SHRM research in the context of environmental crises. Using evidence from Danish companies and public organizations collected using a mixed-methods sequential design, we discuss whether existing SHRM frameworks can adequately frame and deliver the academic knowledge needed to address the novel challenges posed by the pandemic. We formulate guidelines for future research that will shape discussions of the role of SHRM in building organizational resilience in the face of environmental crises.

Key words
COVID-19, environmental crises, strategic HRM

1 | INTRODUCTION

In 2020, workplaces around the world endured a major environmental crisis in the form of the COVID-19 pandemic (Collings, McMackin, et al., 2021; Collings, Nyberg, et al., 2021). While many continue to debate whether COVID-19 is a “black swan”—an unpredictable and extremely disruptive environmental event—the lockdown experience has clearly begun to redefine how organizations function. In particular, the pandemic has had profound implications for the ways we understand, organize, and carry out our work (Mihalache & Mihalache, 2021; Minbaeva, 2021; Ritter & Pedersen, 2020; Trougakos et al., 2020). Consultants have already reported major shifts in workplace organization, such as moves towards remote work, virtual teams, and virtual leadership (BCG, 2020; McKinsey, 2020).

Strategic human resource management (SHRM) is a major academic discipline examining workplace organization and how it affects “the behavior of individuals in their efforts to formulate and implement the strategic needs of the business” (Schuler, 1992, p. 30; see also Jackson et al., 2014, for a detailed definition). How has the “new normal” brought about by the pandemic affected the SHRM field? Researchers have already pointed out that the lockdown highlighted several unexplored areas in human resource management (HRM) research—“answers to questions we wish we had in the academic literature but, to date, do not” (Caligiuri et al., 2020, p. 705). While it is still too soon to speak of “lessons learned,” we can begin to assemble a research agenda for SHRM in the context of environmental crises by examining the gaps in our knowledge exposed by the pandemic (Butterick & Charlwood, 2021). This study aims to initiate this process and guide future research efforts.

We conducted an exploratory study with a mixed-methods sequential design to investigate whether current SHRM theories can frame and deliver the academic knowledge needed to guide human resource (HR) managers as they address novel people-related
organizational challenges resulting from the pandemic. Hence, our research responds to calls to continuously reevaluate SHRM’s “conceptual and methodological armory in order to ensure the field continues to be both scholarly and relevant to a diverse array of constituents” (Hodgkinson & Starkey, 2011, p. 364). The study also aims to bridge the research-practice gap (Deadrick & Gibson, 2007) by pursuing a problem-centered research approach (Ployhart & Bartunek, 2019) in which a “phenomenon drives and shapes the conversation” (Schwarz & Stensaker, 2016, p. 246). To achieve this goal, we combine deductive and inductive observational logic to exploit theory and simultaneously explore data (Ployhart & Bartunek, 2019).

More broadly, our study contributes to the literature examining SHRM during environmental disruptions (Cooke et al., 2021; Kim et al., 2022). We do not seek to propose a new theory of SHRM. Instead, our aim is to highlight specific dimensions of the extant research likely to shape discussions of SHRM’s role in building organizational resilience in the face of environmental crises (Minbaeva & De Cieri, 2015). Finally, this study is novel, as it provides high-value knowledge to practitioners given the current paucity of evidence on organizational responses to the COVID-19 crisis (Collings, Nyberg, et al., 2021; Kulik, 2021; Muzio & Doh, 2020).

Given the exploratory nature of this study, we apply extant SHRM theory as part of an abductive approach, as its “theoretical insights inform[ed] the interpretation of data uncovered in the context of discovery” (Wilson & Chadda, 2009, p. 550–551). Therefore, we begin with a brief review of SHRM literature relevant to the context of major environmental crises. Rather than provide a comprehensive overview, we aim to identify the most prominent theoretical debates in SHRM with the aim of highlighting the key themes that can loosely frame our discussion. We then introduce our methodology and describe the data-collection process, which was conducted in Denmark, one of the first European countries to shut down in March 2020 and one of the first to partially re-open. The country serves as a fitting empirical context given its government’s efforts to actively manage the pandemic, and the quick and efficient organizational responses to those efforts. Furthermore, as a coordinated market economy (Hall & Soskić, 2001), Denmark offers an extremely rich context, as it allows us to observe organizational responses to a wide set of stakeholder interests. After presenting the results, we discuss our findings and present guidelines for future research. We also highlight potential research questions likely to shape future SHRM research and practice in the context of significant environmental upheaval.

2 | STRATEGIC HRM

In the 1980s, scholars began to link HRM practices to strategic-management processes (Dyer, 1984; Guest, 1989; Lengnick-Hall & Lenklnick-Hall, 1988) by emphasizing the congruence among HRM practices (Schuler & Jackson, 1987; Wright & Snell, 1991). Wright and McMahan (1992, p. 298) defined SHRM as “the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.” More recently, Jackson et al. (2014, p. 2) defined SHRM as “the study of HRM systems (and/or subsystems) and their interrelationships with other elements comprising an organizational system, such as the organization’s external and internal environments, the multiple players who enact HRM systems, and the multiple stakeholders who evaluate the organization’s effectiveness and determine its long-term survival.” Accordingly, the field of SHRM is concerned with the determinants of HRM practices, the composition of the HR capital pool, the specification of required behaviors, and the effectiveness of decisions given varying competitive situations and business strategies.

SHRM’s main theoretical foundations are commonly held to include the resource-based view of the firm, the agency/transaction-costs view, and the behavioral perspective (see figure 1 in Wright & McMahan, 1992, and figure 4 in Cooke et al., 2021). However, even before the pandemic, the conceptual boundaries, key research questions, and main theoretical frameworks of SHRM were subject to vigorous debate (see Cooke et al., 2021, for a recent review). In the following, we highlight recent discussions centering around four prominent approaches to “how HRM should be integrated with strategic management” (Boxall & Purcell, 2016, p. 57); “best fit,” horizontal fit (such as the “best practice” approach), SHRM outcomes (content and process approaches), and the role and organization of the HR function (Boxall & Purcell, 2016). These themes mark the conceptual boundaries of SHRM theory used in this article and encompass key terminologies, while simultaneously structuring the inductive use of theory in the empirical part of this article. SHRM research also covers many other dimensions that are not discussed in this article (see Figure 1).

2.1 | “Best fit”

This approach, which is associated with the contingency perspective, argues “managers must adapt their HR strategies to other elements of the firm’s strategy and to its wider environment” (Boxall & Purcell, 2016, p. 58). Many studies have discussed the link between

![Figure 1: Four dimensions of strategic human resource management (SHRM) research discussed in this article](image-url)
HRM and business strategy, and focused on the role of HRM in strategy implementation (see early discussions in Lengnick-Hall & Lennhick-Hall, 1988; Schuler, 1992; Barney & Wright, 1998). A notable concern of much HRM and business-strategy research has been configurational fit (Youndt & Snell, 2004). For example, Cooke and Saini (2010) examined how HRM practices support innovation-oriented business strategies. Moreover, an entire stream of SHRM research has investigated how knowledge-centered business strategies are supported by HRM practices that enable the sharing and transfer of knowledge (see Minbaeva, 2013, for a review). Studies in the global context also offer significant empirical evidence of SHRM's contributions to the implementation of global business strategies (see Andersson et al., 2019, for a review).

Several contingencies are discussed in the “best fit” approach. Boxall and Purcell (2016) reviewed these contingencies at the societal, industrial, and organizational levels of analysis, and found an “overwhelming impact of context on HRM” (p. 72). The “best fit” approach’s emphasis on the need to adapt to the firm’s broader business goals and its environmental context is in line with calls for greater contextualization of complex management theories (Boxall & Purcell, 2016).

2.2 | Horizontal fit

Another prominent conversation centers on the nature and combination of HRM practices. While many studies take a universal rather than a contingency perspective, this approach has been heavily criticized (Kauffman, 2012). Boxall and Purcell (2016) suggested the debate around “best practice” has evolved towards “studies of HRM models that include some common principles but show intelligent adaptation of practices to the specific context” (p. 79).

Another dominant belief in SHRM is of complementarity. This belief suggests when HRM practices are applied as a coherent system, they have a greater effect on organizational outcomes than the sum of the effects of each individual practice (Ichimowiak et al., 1997). In fact, for the past 30 years, SHRM has been researched as “a set of distinct but interrelated activities, functions, and processes that are directed at attracting, developing, and maintaining (or disposing of) a firm’s human resources” (Lado & Wilson, 1994, p. 701). HRM practices are often treated as bundles of practices aimed at enhancing certain behavioral aspects of the workforce, such as ability, motivation, and opportunity (AMO; see Jiang et al., 2013, for a review). In this regard, Kehoe and Wright (2013, pp. 3–4) distinguished among “ability-enhancing practices, such as formal selection tests, structured interviews, hiring selectivity, high pay and training opportunities,” “motivation-enhancing practices, such as rewards based on individual and group performance outcomes, formal performance evaluation mechanisms, and merit-based promotion systems,” and “opportunity-enhancing practices, such as formal participation processes, regular communication, and information-sharing efforts, and autonomy in work-related decision making.” The literature also confirms the existence of synergistic effects (i.e., positive complementarity) among these bundles of high-performance HRM practices (Subramony, 2009).

2.3 | HRM and outcomes

Perhaps the most widely debated aspect of SHRM is the link between HRM and performance (the content approach in Sanders et al., 2021). Empirical studies examining this link are dominated by input-output models with firm-level output variables, such as business, financial, and operational performance (Chadwick & Finchbaugh, 2021; see also the meta-analysis by Jiang et al., 2013). This approach has been extensively criticized and numerous alternatives have been proposed (Guest, 2011; Sanders et al., 2021). In particular, scholars have recommended shifting the focus from financial and operational performance towards HRM practices known to affect variables that mediate employee behaviors (Guest, 1997).

Another strand of research examines the relationship between HRM and organizational outcomes from a process perspective (Nishii et al., 2008). Along these lines, Bowen and Ostroff (2004) introduced the “strength of the HRM system”—that is, the meta-features communicated to employees that improve the organizational climate. This concept suggests employees share a common understanding of the behaviors expected from them in line with the firm’s strategy. In their retrospective, Bowen and Ostroff (2004, p. 196) commented: “HR practices are purported to send communications and signals that employees draw attributions about to develop an understanding of what is valued, expected, and rewarded—the intended message.” The “what” content dimensions include elements of the employee value proposition (i.e., the various benefits organizations offer employees) and the behaviors needed to implement strategies. In contrast, the “how” dimensions explain how the employee value proposition is designed and communicated to staff members, and how the organizational values underlying the business strategy pervade the organization. This perspective resonates with practitioners, especially as it emphasizes the role of SHRM in creating a strong organizational climate for a given strategic focus.

Also noteworthy is HRM attributions research, which considers how employee attributions—“causal explanations that employees make regarding management’s motivations for using particular HR practices” (Nishii et al., 2008, p. 507)—mediate the relationships between HRM practices and employee outcomes. The core argument here is that the link between HRM practices and organizational outcomes depends on the motives that employees attribute to such practices. These attributions may be external (e.g., the view that HRM practices are designed in response to situational and institutional pressures) or internal (e.g., the view that HRM practices are designed to either enhance service quality and employee well-being or reduce costs and exploit employees).

2.4 | The role and organization of the HR function

Over the years, Ulrich’s (1987) conceptualization of the role of business partners has had profound practical implications for HRM. HR managers become business partners when they contribute to business-strategy development and design HRM practices in
alignment with that strategy. Moreover, this understanding of the organizational role of HR requires line managers to execute some HR functions. However, in many instances, line managers have trouble “accepting the importance of talent and organization or accepting HR professionals as significant contributors to these agendas” (Ulrich & Brockbank, 2009, p. 6). Furthermore, although HR business partners were originally viewed as valuable contributors to the development and implementation of business strategy, their involvement is often limited to the latter (Minbaeva, 2021). Researchers have also discussed the role of corporate HR functions in supporting HR business partners and the organization’s business model (see Ulrich et al., 2008, for a review). Moreover, the international HRM literature has closely examined the role of corporate HR as a center of excellence (see, e.g., Farndale et al., 2010).

This study explores how the COVID-19 pandemic might influence discussions around SHRM in the context of environmental crises. Our exploratory study aims to highlight the gaps in our extant knowledge exposed by the pandemic and to uncover the questions likely to shape future research into SHRM in the context of highly disruptive environmental events.

3 | RESEARCH METHODS

We followed Danish companies and organizations between March and December 2020 to understand the implications of COVID-19-related lockdowns for workplace organizations and management. Denmark was one of the first European countries to shut down in the wake of the pandemic. On March 11, 2020, Danish Prime Minister Mette Frederiksen announced a complete lockdown of the country. That same evening, employees of businesses and public-sector organizations received emails from their management teams stating that employees in non-critical roles should stay home. The Danish government was quick to implement a nationwide support strategy, which included aid packages to help businesses remain operational during the lockdown. These packages compensated companies for the salaries of employees who were sent home without work on or after March 13. The compensation option was available to companies that would otherwise have had to lay off either at least 30% or more than 50 of their employees. Thanks to the government’s swift implementation of a widespread lockdown and the economic support it provided, Denmark was branded a “test-case” country for its response to the COVID-19 crisis. It was also one of the first EU countries to announce a gradual re-opening. Finally, it must be mentioned that Danish organizations are uniquely characterized by strong employment relations and modern HRM business strategies. For more than a century, workplace organization and working conditions have been negotiated between employers’ organizations and unions and determined in collective agreements. Hence, Denmark has a long tradition of close communication between managers and employees, with the latter’s voice and well-being a primary concern (Bevort & Einarsdottir, 2021). Together, these factors made Denmark an appropriate empirical context for our investigation. We use this context as a source for theorizing—that is, to theorize about the effect of context on organizational responses with the aim of improving extant theory (Whetten, 2009).

To collect our data, we used a sequential exploratory design (Creswell, 2003). This design consists of a mixed-method approach in which either qualitative or quantitative data is gathered and analyzed, after which the process is repeated for the other data type (see Figure 2). In this study, the sequential priority in terms of the timing of data collection and the generation of analytical content was given to the qualitative study.

The study data were derived from three data sets collected in three stages between April and December 2020. In stage one, we conducted 36 interviews between April and June 2020 (i.e., Denmark’s first lockdown). In stage two, we gathered 594 usable responses to a survey of chief human resources officers (CHROs) and HR directors undertaken in September and October 2020. In stage three, we undertook 28 follow-up interviews in October and November 2020, during Denmark’s second, partial lockdown. In addition, we organized two webinars with business leaders and HR managers to discuss the qualitative and quantitative results in June and December, respectively.

When analyzing the qualitative data, we employed interpretive sensemaking (Stake, 1995; Welch et al., 2011). In contrast to the focus of positivistic qualitative research on “generalizability, causality,
and objectivity;” interpretive sensemaking embraces “context, narratives and personal engagement on the part of the researcher” (Welch et al., 2011, p. 747). Our purpose was not to uncover causal explanations but to generate a “thick description” through a “subjective search for meaning” with an emphasis on “particularization” as opposed to generalization (see Tables 1 and 2 in Welch et al., 2011).

In our analysis of the quantitative data, we mainly used descriptive statistics and group tests. Our aim was not to prove or reject hypotheses but to use insights from the quantitative study to interpret the context-rich patterns identified in the qualitative phase and to ascertain the distribution of the phenomena in the general population (Morgan, 1998; Morse, 1991).

Given the purposes of this article, we interpreted and integrated the findings of both the qualitative and quantitative studies using the active categorization framework suggested by Grodal et al. (2021). This framework describes a process that, similar to our data-collection process, follows three stages: (1) generating initial categories using data collected in stage one (qualitative), (2) refining tentative categories using the data collected in stage two (quantitative), and (3) stabilizing the categories using the data collected in stage three (qualitative). For the purposes of interpretation and integration, we used only extant theoretical insights to interpret the data, and we linked the results generated through the active categorization framework to the four loosely-defined and intentionally broad theoretical themes identified earlier. Thus, our analytical process can be described as abductive (Dubois & Gadde, 2002; Van Maanen et al., 2007), as it involved moving back and forth between the data and the strategic HRM literature (always starting with the data) as well as between the first and second authors. The following sections provide detailed descriptions of our qualitative and quantitative data.

3.2 | Quantitative data

The analysis of the stage-one qualitative data into aggregate dimensions framed the collection of quantitative data in stage two. We devised a questionnaire by formulating three or four items per aggregate dimension. The resulting questionnaire was cross-checked with the notes from all interviews and the first webinar and supplemented with additional questions where necessary. We also included an unstructured text space under each question to allow for general comments. The online survey was created and distributed using the SurveyXact platform and was pre-tested.

Our dataset covered 594 Danish workplaces. Using the Bisnode database, we identified 4182 Danish workplaces with more than 100 employees. After deleting duplicates, we ended up with 3898 workplaces, all of which were invited to participate in the survey and asked to provide their HR managers’ email addresses. We received 1041 responses with corresponding contact information. After two reminders and follow-up calls, we collected 594 usable responses to the survey.

Of the 594 responding companies, 365 were privately held, 73 were public-sector organizations, and 156 had mixed ownership. In terms of size, 188 of the companies had 75–149 employees, 144 had 150–349 employees, 188 had 350–749 employees, 59 had 750–999 employees, and 85 had more than 1000 employees. 106 of the companies were multinationals, while 207 were purely domestic (single location) and 271 were domestic but with multiple locations in Denmark. The companies were active in the following industries: agriculture, forestry, and fisheries (5); industry, raw-material extraction, and supply (113); building and construction (17); trade and transport (101); information and communication (23); finance and insurance (43); real estate and rental (19); business services (71); public administration and education (146); and culture, leisure, and other services (56).

In terms of the sample’s representativeness, larger companies (i.e., more than 350 employees) were overrepresented in our sample. This may have been because we prioritized larger companies in our follow-up phone calls, as they were affected more than smaller companies by the lockdown. The sample also overrepresented public-
<table>
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<th>Position</th>
<th>Organization</th>
<th>Number of employees</th>
<th>Main activities</th>
<th>Date of interview in stage one</th>
<th>Date of interview in stage three</th>
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<td>Building construction</td>
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<td>Changed job</td>
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<td>Business Unit Director</td>
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<td>27/10/20</td>
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<td>363</td>
<td>Engineered polymer solutions</td>
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<td>06/10/20</td>
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<td>October 23, 2020</td>
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<td>Oil and gas</td>
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<td>11/05/20</td>
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<td>02/11/2020</td>
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</tbody>
</table>
sector organizations, possibly because we manually gathered contact information for all 98 municipalities in Denmark. The sample was slightly biased by the industrial sector, as the information and communication industry was underrepresented, while the finance and insurance industry and the culture, leisure, and other service industries were overrepresented. In terms of other parameters, the sample was representative of the population.

For all questions, we tested for differences in responses from companies and organizations of different sizes, ownership types, regions, and industrial sectors. We used descriptive statistics and group tests to gain insights into distributions in the sample and general patterns. The insights from the second webinar helped us make sense of the quantitative data analysis and connect it to the findings from stage one.

### TABLE 2  
Tolerance for mistakes, decision-making time, level of collaboration, and extent of innovative solutions

<table>
<thead>
<tr>
<th></th>
<th>There has been greater acceptance of mistakes internally among the managers</th>
<th>The managers have shown greater tolerance of employees’ mistakes</th>
<th>The distance from decision to implementation was shortened</th>
<th>There was closer cooperation in management during the lockdown</th>
<th>The employees have been able to find innovative solutions to problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 593</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greatly agree</td>
<td>31</td>
<td>17</td>
<td>53</td>
<td>63</td>
<td>59</td>
</tr>
<tr>
<td>Agree</td>
<td>124</td>
<td>133</td>
<td>219</td>
<td>188</td>
<td>332</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>264</td>
<td>271</td>
<td>188</td>
<td>199</td>
<td>141</td>
</tr>
<tr>
<td>Disagree</td>
<td>110</td>
<td>112</td>
<td>101</td>
<td>98</td>
<td>19</td>
</tr>
<tr>
<td>Greatly disagree</td>
<td>11</td>
<td>12</td>
<td>8</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Not applicable/ do not know</td>
<td>53</td>
<td>48</td>
<td>24</td>
<td>35</td>
<td>37</td>
</tr>
</tbody>
</table>

4 | FINDINGS

Before we present the main results related to our research question, we offer some general observations regarding the lockdowns as well as their consequences for companies and public organizations in Denmark. These general observations are a form of “thick description” intended to help readers contextualize the main results.

### 4.1  General observations

“When Mette closed Denmark ...”. This was how many interviewees began to describe how their organizations had handled the lockdown. They were referring to Mette Frederiksen, the Danish Prime Minister, who announced the first COVID-19-related Danish lockdown on the afternoon of March 11, 2020. From the interviews in the first and the third stages, we identified four phases that workplaces experienced during 2020 (see Figure 4).

#### 4.1.1  Phase one: Operations—the workplace needs to function

For the first few weeks, all managerial efforts centered on gaining control over the new *modus operandi*. In this phase, the HR function switched from a strategic to an operational function overnight. Its new focus was on practical issues, such as ensuring internet connections and remote access. All developmental activities (e.g., performance-development conversations or leadership development) and strategic projects (e.g., diversity and inclusion initiatives) were put on hold. Another important task was communicating with all employees, regardless of whether they were in the office, working from home, or had been “sent home” on a governmental relief package.

Within the organizations, “A-team” and “B-team” quickly became standard terms to describe who stayed at work and who was sent home. However, after some time, the terms began to be used in a broader sense to identify each organization’s most essential functions. For example, in production companies, blue-collar workers continued to go to work, typically in shifts and often at odd hours. These workers became the “A-team”—those who went to work despite the risks, while others sheltered in the safety of their own homes. Managerial talked about the importance of “lifting the burden,” “being on the frontline,” and “working near others”.

#### 4.1.2  Phase two: High employee engagement

Surprisingly, productivity remained high throughout the first lockdown. Most senior managers indicated that productivity stayed at 85–90% of normal levels, which they viewed as positive given the circumstances. Some managers described a feeling of “euphoria” in this phase, referring to a state of well-being and excitement. One manager used analogies of combat and post-traumatic stress disorder. According to this interviewee, the initial shock from the lockdown caused a surge in stress hormones, which were released into organizations’ “bloodstreams” and opened up organizational “arteries.” Organizations were entirely focused on survival, sometimes without even noticing the “wounds” or “trauma” they had sustained, “just as soldiers in combat, running on adrenaline ... may not know that they are wounded until they stop fighting.” A few interviewees mentioned that their top leadership teams had become more united and aligned, and were functioning better. As one interviewee stated: “It is almost like they found a new kind of energy, a new purpose, and a new chemistry.” Even at the individual level, emotions were high. Another participant stated, “I am stressed, relaxed, focused, and free at the same time”.

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4.1.3 Phase three: The euphoria dissipates

While most workplaces were able to maintain a high level of productivity during the spring 2020 lockdown, the initial euphoria was overtaken in phase three by “COVID-19 fatigue” resulting from social isolation. Management and employees realized that the pandemic was unlikely to end soon. Some employees thrived while working from home, but others became tired of being unable to go to work and missed both social and professional interactions. As one leader stated, “many employees lost altitude” and hit the “Corona wall.”

By this point, most of the workplaces involved in our study had displayed great flexibility towards employees and tried to address their concerns. However, management now needed to determine how long an employee could stay away from the workplace. One manager explained:

Suddenly, as a manager, you may find yourself in a situation in which you have to deal with employees who think it is no longer fun to go into the office. How long can you allow those employees to stay home after you provide an infection-proof workplace?

Several managers expressed concerns that the organization’s identity or “organizational DNA” would dissolve if employees work from home for extended periods.
4.1.4 | Phase four: What to retain after COVID-19?

As Denmark slowly re-opened, companies and public-sector organizations became increasingly aware of the importance of reflecting on the experience. In fact, all Danish workplaces briefly experienced the “new normal” during the summer of 2020 between the first and second lockdowns. At that time, many companies recognized the need to educate themselves about the lockdown experience, and to reflect, learn, and equip themselves with the competencies needed for the “next normal.” For example, TDC—Denmark’s leading provider of...
digital infrastructure and digital entertainment—developed a “New Ways of Working” concept, which it launched intending to create the flexible workplace of the future.

Over the focal year, the organizational priorities expressed by business leaders changed. In the first lockdown, the primary concern was productivity and whether the organization could continue functioning reasonably well. A second management issue was employee distance, as the sudden introduction of remote work made it difficult to control when or how employees worked. As remote work became an ongoing endeavor and not an occasional privilege granted to employees, managers found themselves challenged. A third concern was employee well-being. In the second lockdown, the major concerns were employee well-being and mental health, followed by the challenges associated with managing remote work. Our HR respondents indicated that their departments were bombarded with requests from business leaders and line managers for support to develop the competencies needed to lead virtually. During this phase, productivity concerns had moved down the list of priorities. The managerial focus shifted to employees’ abilities to deliver despite the stress and social isolation.

5 | MAIN RESULTS

Following Gioia et al.’s (2012) methodology, we inductively generated 40 codes. Iteratively switching between theory and data (abduction), we clustered the codes into 14 themes under the four broad dimensions reviewed earlier (see Figure 1). We interpreted and integrated the codes (see Figure 2) before revising them. These revised codes remained the same for the stage-three interviews, which deepened our understanding of the results from stages one and two (the qualitative and quantitative data, respectively). Figure 3 presents our main findings.

In the following sections, we present our results along the four themes3: “best fit,” horizontal fit, HRM and outcomes (content and process), and the role and organization of the HR function. In each subsection, we follow the logic of our sequential methodology. In other words, the qualitative insights are presented first, followed by illustrations from the quantitative survey.

5.1 | “Best fit”

One observation was consistent across all organizations in our sample: the crisis was handled most effectively by combining (1) rapid decision-making by top management about organizational responses and clear communication of those decisions with (2) the freedom to implement the decisions, supported by the decentralization of decision-making power and authority to line managers. We term this approach “centralized decentralization.”4 One business executive explained it as follows:

As a crisis manager, you rely on centralized authority.
At the same time, you empower decentralization.
[In this setting], a skilled leader is one who dares to let go and say: “Here is a framework. The rest you figure out yourselves.”

A representative of an employers’ organization observed:

It sounds a little strange, but in a crisis, centralization starts at the same time as decentralization.

For many of our interviewees, it seemed more important that top management made decisions and promptly communicated them than for those decisions to be correct. Employees were well aware that management was in unknown territory when the pandemic hit, and they recognized that decisions might be based on incomplete information and require adjustments as the crisis unfolded. Thus, the survey responses indicated a high level of tolerance for managers’ mistakes (see Table 2). In some organizations, our interviewees indicated that this tolerance was mutual—management also accepted the need for a
trial-and-error approach among employees. However, only 25% of respondents felt that managers allowed more leeway for employees to make mistakes during the crisis (46% answered that they neither agreed nor disagreed, 21% disagreed, and 8% responded to this question with “irrelevant” or “do not know”). Notably, we found a significant difference between public-sector and private organizations, with the latter seeming much less tolerant of mistakes.

One effect of this centralized-decentralization approach was faster decision-making during the lockdown. This was highlighted in several interviews and confirmed by the survey results. More specifically, around 46% of HR managers indicated that “the distance from decision to implementation was shortened during the COVID-19 lockdown in the spring of 2020” (18% disagreed and 36% were indecisive). The tendency towards faster decision-making was more pronounced in the public sector than in the private sector, and public-sector managers were significantly more positive about this development.

5.2  Horizontally fit

By referring to extant theory, our abductive approach allowed us to cluster the codes in this dimension into three themes: ability-, motivation-, and opportunity-enhancing HRM practices (see Figure 3). Many interviewees indicated that the primary task at the beginning of the first lockdown was to enable employees to work from home. As many organizations were unprepared for the lockdown, this change had to happen—quite literally in some cases—overnight. Line managers reported being delegated the responsibility of working out the finer details. In many instances, they had to “catch people on their way to work,” and tell them to turn their cars around and drive home. Managerial attention focused on A-team employees (i.e., those who physically had to come to work). For those who were asked to work from home, the responses seemed to be more laissez-faire: “Just pick up your computer, screen, or chair from the office if you need them.” At first, neither management nor HR proactively helped employees set up their home offices. We heard numerous stories about two adults working in a small apartment while simultaneously homeschooling their children. Only during the second lockdown did some organizations begin to systematically address this issue.

All interviewees were impressed with employees’ willingness to find creative solutions to the challenges associated with the pandemic. As explained earlier, employees’ motivations to deliver on given tasks increased substantially during the first lockdown. Several managers observed that some employees “stressed too much and worked too hard” during that lockdown because they wanted to prove their worth and were concerned with “always being there” (in the virtual space). Managers had to actively encourage some employees to use the flexibility offered by remote work. They also had to remind them of the importance of taking breaks and occasionally leaving their computers. It took some time for employees to accept that they were not expected to constantly be online:

Line managers would say, “Easy now. As long as you work and deliver what we expect from you, the fact that you do it in the evening after your toddlers go to bed does not matter.” Some employees feel: “I have to be ‘green’ [a reference to the green dot indicating that a person is online]. If anyone is trying to reach me, I should be available.” The leaders have also had a hard time dealing with this level of ambition.

Companies that used pulse surveys to track employees’ engagement reported that engagement figures increased in late March and in April. These companies also indicated that their employees were extremely positive about their top management teams’ responses during the lockdown and that they were supportive of management’s actions.

Unfortunately, pulse surveys were often the only opportunity employees had to contribute to organizational development. As explained earlier, all developmental and collaborative activities were put on hold. Even meetings of “cooperation committees”—a feature of the Danish model aimed at including employees’ voices in decision-making—were initially postponed or canceled due to the “extreme emergency situation.” However, the second lockdown brought some changes in this regard. For example, TDC introduced monthly townhall sessions to share experiences with leadership challenges resulting from the lockdown. Although attendance was not mandatory, these sessions attracted many attendees and provided top management with input on new and existing initiatives.

5.3  HRM and outcomes

Through abductive iterations with the literature, we assembled two subdimensions within this theme covering employee and organizational outcomes. The “HRM and outcomes (content)” sub-dimension encompassed resilience, productivity, innovation, and knowledge- and information-sharing, while the “HRM and outcomes (process)” sub-dimension included variety and flexibility in communication, the frequency and strength of communication, and virtual channels as drivers of perception.

The qualitative insights generated by our research indicated that some organizations were better prepared than others to respond to the crisis. Companies that had been moving towards digitalizing their business processes were better able to handle the transition to remote work. Employees in large public-sector organizations with multiple locations were also more prepared to move their work online. However, the true “winners” were multinational corporations. The CHRO of A.P. Møller–Mærsk Group—the largest Danish multinational organization—explained:

We began our preparations when COVID-19 closed our offices in China and then in Italy. Only 2% of our employees are in Denmark. Therefore, when the crisis came to Denmark, we could use our experience from
China. ... When we had our first crisis-management meeting here, we invited Chinese managers to join us, and to describe what they had done and their experiences. We quickly began to understand the problems, dilemmas, and consequences of employees working from home with their families around them, often in very small spaces, such as one- or two-room apartments. ... They told us about the importance of communicating with employees often and much more than usual.

Finally, several managers with organizational experience with earlier crises, such as the 2007–2009 financial crisis, reported feeling better equipped to handle the challenges posed by the pandemic. For example, a manager with previous experience in staffing offshore operations during the financial crisis applied the lessons learned to retain talent during the pandemic:

After the temporary layoffs [firing with the promise of rehiring after a few months] during the financial crisis, many of our top professionals did not return. They found new jobs onshore with fewer travel requirements and perhaps their families were happier with them being home more. Therefore, it was hard to get our people back and persuade them to work offshore again. This time, we decided to keep them employed, and alter their assignments or give them temporary work assignments within the company. As such, we retained them in a slightly different way and tried to give them extra job security.

Nonetheless, our survey results indicated that few organizations effectively leveraged their knowledge of previous adverse conditions. When asked “To what extent has your organization utilized its experiences from previous crises in your handling of the COVID-19 crisis?,” only 1% answered “a very great extent,” while 8% responded with “a great extent,” 29% chose “some extent,” 29% selected “a little extent,” and 15% answered “not at all” or “not applicable.” The interviews also indicated that organizations with high levels of social capital (i.e., trust) handled the situation better.

The most striking result of our investigation in the spring of 2020 was that it was possible to maintain high levels of productivity and service during the lockdown while keeping illness-related absenteeism low (Table 3). As previously mentioned, our management interviewees were impressed by the high level of productivity among their employees, a fact confirmed by the survey: 55% reported that productivity was higher than expected, 39% indicated that it was unchanged, and only 6% stated that it was lower than anticipated. Given that the country was under lockdown, many families also had to homeschool their children, and many single people suffered from social isolation. Despite these conditions, productivity far exceeded most expectations:

I actually think she [an employee with homeschooled children] has increased her productivity by at least 50%. She said that this way of working is good for her. She is relaxed and much calmer, and she thinks she has better control over her life in general and her working life in particular.

Indeed, the vast majority of the managers we interviewed were impressed with their employees’ flexibility and their innovative approaches to solving operational problems—results confirmed by the survey, with 66% of HR managers agreeing that “employees have been able to find innovative solutions to problems” (see Table 2). As one public-sector manager explained:

I am impressed with the creativity. The first thing I was impressed with was the nursing homes. They have saved almost an entire generation [referring to the nursing-home residents]. We thought that our elders in nursing homes would never be able to use anything digital. They are now FaceTiming with their grandchildren and emailing their friends.

Our interviewees also explained the increase in productivity by pointing to the fact that employees were able to decide “when to do what” and to schedule tasks accordingly. One participant remarked: “If I need to concentrate, I get up earlier in the morning or work after the kids have gone to bed.” Many companies introduced “walk-and-talk” meetings to accommodate employees’ needs to get away from their computers, which they found highly effective. Our interviewees also talked extensively about how they could utilize what they had learned from the lockdown to build resilience and readiness to deal with new crises.

Our observations indicated notable differences between the first and second lockdowns. In the spring of 2020, most companies still had large backlogs of work awaiting completion. In general, although some products could not be shipped to international customers and some warehouses were filling up, businesses continued to function.

### Table 3

<table>
<thead>
<tr>
<th>Compared to the same time last year, absence due to illness during lockdown was</th>
<th>In your opinion, how has the level of productivity been during the lockdown compared to what was expected?</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 594</td>
<td></td>
</tr>
<tr>
<td>Much higher than expected 4 52</td>
<td></td>
</tr>
<tr>
<td>Higher than expected 33 269</td>
<td></td>
</tr>
<tr>
<td>Same as expected 173 231</td>
<td></td>
</tr>
<tr>
<td>Less than expected 242 36</td>
<td></td>
</tr>
<tr>
<td>Much less than expected 95 1</td>
<td></td>
</tr>
<tr>
<td>Not applicable/do not know 47 52</td>
<td></td>
</tr>
</tbody>
</table>
Some companies, such as Vink Plast, developed new products and projects in response to the demands created by the crisis. Those organizations that had shut down entirely (e.g., the Danish Design Museum) found that they had time to take on digital projects that had long been in their pipelines. However, the situation was very different in the autumn, as productivity started to decline. This might have been an effect of stress and the decline in well-being (see “Phase three” in Figure 4), intertwined with the crisis’s visible consequences for the Danish economy. It may have also reflected the fact that many new ideas were put on hold until “we get back to the rooms with the whiteboards and round tables.”

Almost every interviewee emphasized the importance of timely, honest, and open communication, as employees “needed to know what was going on.” The interviewees indicated that managers who were prepared to share their perceptions of pandemic-related problems and their proposed solutions could more easily gain employees’ trust and support. Even when CEOs had to confess to employees that they had no idea about future organizational changes, their honesty was appreciated.

As discussed earlier, A- and B-teams quickly formed in many organizations. However, it was dangerous for management to apply these terms too rigidly. Our interviewees pointed to the need to continuously renegotiate membership of the two teams as “a part of expectation management between manager and employee.” From an organizational perspective, a static distinction between the A- and B-teams could create segmentation and cause long-term harm to the organizational culture. Hence, a key task for HR managers was to clearly state that all employees were important to the company, regardless of whether they were physically at work, working from home, or furloughed. In one company, the HR function utilized an onboarding application to regularly communicate with all employees, regardless of whether they were working or had been “sent home” without work.

As Table 4 shows, line managers took responsibility for communicating with employees. However, some managers struggled to adjust to this task during the lockdowns. Some hesitated to cross the lines of privacy by calling employees at home, while others did so quite naturally. One group of participants experimented with the number of weekly check-ins required, while others systematically included time to interact informally ahead of formal meetings:

Although the meeting was scheduled to start at 9 a.m., we could log in at 8:30 a.m., have coffee together, and chat about other things in life.

Although regular check-ins were necessary, they could be too much, as one interviewee explained:

After a few weeks, they thought we were starting to lose social connection. They, therefore, introduced too many things, like morning songs and calls twice a day to talk about progress. It was a kind of unnecessary “babysitting.”

One silver lining of the crisis was that line managers “really got to know” their employees. In fact, many managers were surprised to realize how little they knew about their staff. However, the vast majority also felt that managing from a distance was challenging because a manager could not “know how employees are actually doing” and it was “difficult to detect emotions through the Teams screen.” This was confirmed by the survey results, as 58% of respondents agreed with the statement: “When we do not have physical meetings, we cannot see how people are doing in terms of whether they are well” (see Table 5).

Virtual meetings became the main channel of communication and, for some, the only management tool available during the lockdowns. Our respondents recognized that managing such meetings was not
easy (see Table 6) and indicated that most line managers exhibited a rather low level of virtual leadership. Moreover, the sharing of informal, non-work-related information was often absent in virtual settings. While some managers initially felt that informal discussions should be avoided in online meetings, many quickly realized that this kind of information-sharing was important for several reasons. First, chatting over coffee was one way to check in on colleagues: “informal, random run-ins are important for the employees’ well-being.” Second, informal conversations are often useful sources of knowledge. As serendipitous, work-related exchanges about new projects or customer-related issues, they may generate new ideas and prevent employees from making mistakes:

Often, the most technical things get caught in such situations. For example, you might overhear a conversation between others and say, “Hey, if you do that, then it is important to keep this in mind.” Small but important—these were the things we used to catch at the coffee machine.

Another line manager pointed out that the lack of informal information-sharing could be costly:

There will be mistakes as a result of this [absence of talks around the coffee machine] but it will take some time before we see those mistakes. In a few months, we may find ourselves saying “we have bought the wrong thing” or “something has been calculated that cannot be manufactured at all.” … Those situations in which people talk about something that may not directly relate to their own project but the information is relevant are no longer there.

Notably, 41% of our survey respondents agreed with the following statement: “When we do not have informal talks at the coffee machine, more mistakes and misunderstandings emerge” (see Table 6).

In a software development firm that employed 30% of its workforce offshore, the virtual setting democratized meetings and brought

### TABLE 5  Drawbacks of virtual work

<table>
<thead>
<tr>
<th>N = 590</th>
<th>To what extent do you agree with the manager’s description?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly agree</td>
<td>67  32</td>
</tr>
<tr>
<td>Agree</td>
<td>335  211</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>83  165</td>
</tr>
<tr>
<td>Disagree</td>
<td>79  146</td>
</tr>
<tr>
<td>Greatly disagree</td>
<td>14  25</td>
</tr>
<tr>
<td>Not applicable/do not know</td>
<td>12  11</td>
</tr>
</tbody>
</table>

### TABLE 6  Experience with virtual meetings

<table>
<thead>
<tr>
<th>N = 590</th>
<th>Greatly agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Greatly disagree</th>
<th>Not applicable/do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical meetings are more effective than virtual meetings.</td>
<td>23</td>
<td>98</td>
<td>271</td>
<td>165</td>
<td>28</td>
<td>5</td>
</tr>
<tr>
<td>There is less informal talk at virtual meetings than at physical meetings.</td>
<td>184</td>
<td>357</td>
<td>34</td>
<td>11</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Meeting participants are better prepared for physical meetings than for virtual meetings.</td>
<td>38</td>
<td>233</td>
<td>257</td>
<td>47</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Virtual meetings enable introverts to speak more.</td>
<td>17</td>
<td>109</td>
<td>252</td>
<td>149</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>It is easier to maintain order in terms of who is speaking at virtual meetings than at physical meetings.</td>
<td>39</td>
<td>234</td>
<td>166</td>
<td>129</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>It is more difficult to ensure confidentiality at virtual meetings than at physical meetings.</td>
<td>11</td>
<td>69</td>
<td>103</td>
<td>305</td>
<td>100</td>
<td>2</td>
</tr>
<tr>
<td>At virtual meetings, it is more difficult to decode the reactions of other participants than at physical meetings.</td>
<td>245</td>
<td>288</td>
<td>33</td>
<td>21</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Virtual meetings are shorter than physical meetings.</td>
<td>170</td>
<td>332</td>
<td>62</td>
<td>21</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Physical meetings have a clearer agenda than virtual meetings.</td>
<td>7</td>
<td>37</td>
<td>201</td>
<td>260</td>
<td>80</td>
<td>5</td>
</tr>
<tr>
<td>At physical meetings, more meeting participants arrive on time than at virtual meetings.</td>
<td>10</td>
<td>20</td>
<td>144</td>
<td>295</td>
<td>112</td>
<td>9</td>
</tr>
</tbody>
</table>
new voices into discussions. Before the pandemic, all co-located team members would gather in a teleconference room and connect online with overseas engineers. The lockdowns removed this disparity because everyone had to communicate via their individual screens, which made the offshore engineers more active in discussions:

We have learned that we should exclusively meet physically or virtually. If we meet virtually, we should each sit at our own computers, even if some of us sit near each other in the office. This creates equal conditions for all.

Our respondents also indicated that virtual settings helped to diversify the voices taking part in discussions. Several managers pointed out that because of the stricter meeting culture (e.g., mute buttons and a clear speaking order), the “loudest” voices were somewhat silenced, while introverts and those with alternative opinions could step into the spotlight. As one line manager stated:

You do not interrupt, and you do not make stupid comments or joke about things. The virtual meetings are more structured. This means that introverts and other “non-usual suspects” get more attention.

Another manager pointed out that virtual settings helped to expose new talents during the lockdowns:

The good thing about online meetings is that you must maintain a strict order—people have to mute their microphones and speak one at a time because otherwise, no one can hear anything. This gives a little more speaking time to people who are not normally heard. I think this is very interesting. As a leader, I have suddenly realized how biased I am towards those who are more outgoing than others. Now [in virtual settings], I hear people who are otherwise a little quiet and they have some great ideas.

Despite the effectiveness of the online meetings, they lacked a social dimension. In other words, it was difficult to get a feel for participants, as “screens only show so much.” This was confirmed by the survey respondents across all organizations (see Table 5).

5.4 The role and organization of the HR function

Within this dimension, we assembled the following themes: the role of HR in digital transformation, HR’s role as an implementer of strategy, and the organization of the HR function. In all companies and organizations, the digitalization of business processes accelerated after the COVID-19 crisis began: “We had planned for this [the digitalization of business processes] to last two years. It happened within six weeks.” In the companies we sampled, HR utilized its existing digital competencies but rarely created new ones for either the business as a whole or its own functions. For example, one company used its learning platform to upload self-learning tools and educational videos on improving digital fluency, while another used existing technologies to onboard new employees. However, we found no evidence that the HR function drove the digital transformation—instead, HR followed it from afar, “enjoying the view from the passenger seat.”

All interviewees indicated that the HR function shifted from a strategic to an operational focus when the lockdown began. According to our management interviewees, HR had to show its worth as a key function capable of managing workplace organization during the first few days of the crisis. As discussed earlier, most employee developments were put on hold:

We all agreed to focus on dealing with the emergency. We could not engage in development. We could not send people to training courses. Everything to do with strategic development was put on hold. No one was missing performance-development conversations at the time.

However, after a few months, this focus began to change. During our first webinar in June 2020, a representative from an employers’ organization stated:

We must be very careful about saying that because we work from home, we cannot have performance-development conversations. I say this because it is the same as asking, “Can you put your management activities on standby?” No, you cannot. Therefore, I think it is a good exercise, especially given the current situation requiring distance management. I think we should try to handle performance-development conversations virtually.

The interviews held during the first lockdown indicated that one in three organizations had postponed formal performance-development talks (see Table 7). We also asked survey respondents whether their organizations’ HR function would want to hold performance-development talks virtually in the future—64% indicated that they would prefer to not do so. Interestingly, line managers did not miss the formal performance-management process. They could maintain close working relations with employees via one-on-one meetings and such activities as virtual coffee breaks, online games, and online wine tastings. Many managers we interviewed regularly checked in with their teams—some daily and some biweekly. They also quickly realized that employees were experiencing different situations and had diverse needs. Our interviewees highlighted the need to balance “presence with absence” in their leadership and stated that “some employees need more attention than others.”

Our results provide a mixed picture of HR’s role as a business partner. On the one hand, the business managers we interviewed...
According to our respondents, HR managers supported top management teams and coordinated their responses much more effectively. Overall, our qualitative and quantitative data pointed to changing dynamics in top management’s collaborative activities during both COVID-19 lockdowns. Our interviewees told numerous stories of how top management had collaborated much more closely (“management was shaken together”). They also indicated that the virtual setting “knocked down the silos” in numerous organizations. These findings were supported by the survey results, where 60% agreed with the statement that “there was closer cooperation in management during the lockdown” (11% disagreed).

6 | DISCUSSION

In this section, we discuss our findings in light of extant SHRM knowledge. We also explore whether the COVID-19 pandemic exposed certain gaps that should be examined in future SHRM research focused on facing major environmental crises.

Our results support Collings, McMackin, et al. (2021) observation that “the pace of change during the pandemic necessitated a dynamic and fluid approach to [business] strategy” (p. 1381). This approach to strategy-making has profound implications for ways of achieving the “best fit.” The lockdown highlighted the need for a broader frame to accommodate and facilitate autonomous initiatives from individual managers within organizations. At the same time, general direction and overall coordination remained crucial for guiding organizations through the lockdown. Inspired by Due et al.’s (1994) description of the Danish labor-market model, we termed this “centralized decentralization.” In the strategy literature, a similar logic is used to describe integrative strategy processes that combine decentralized, emergent strategy-making with centralized, intended strategy-making. The logic of centralized decentralization also echoes the classical discussion of simultaneous loose-tight properties introduced by Peters and Waterman (1982).

In the context of environmental crises and, more specifically, the “best fit” debate around HRM, our findings indicate a need to revisit the underlying assumption that business strategies “come first” and HR strategies should fit the business strategies. Almost two decades ago, Evans (1999) argued that attempts to channel value creation from human capital through “functional generics in the shape of ‘human resource strategies’ may be counterproductive” (p. 334). He argued this contingency should be considered “where it is impossible to separate business from HR or line from function” (Evans, 1999, p. 335). He suggested duality theory as the framework best able to explain the tensions “involved in any attempt to achieve the best fit or matching, tensions which are also the key to understanding development, learning, and change processes” (Evans, 1999, p. 332). In the international SHRM literature, similar tensions have been discussed by Minbaeva and De Cieri (2015), who examined the contribution of HRM to integrative strategy processes, and concluded that the challenge for both academics and practitioners is to better understand
TABLE 8 Guidelines for future research

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Examples of potential questions for future research</th>
<th>Notes on potential methodology</th>
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<tbody>
<tr>
<td>Guideline 1. Future theoretical work on SHRM in the context of environmental crises should aim to build a greater understanding of HR’s role in enabling centralized decentralization by intentionally introducing tensions and dualism into the theory and substance of the field.</td>
<td>How can HRM assist organizations in determining and maintaining the minimum threshold of centralization while pushing for increased decentralization in all business processes? How can HRM contribute to the development of enduring properties of centralized decentralization?</td>
<td>Given the nascent state of the theory, a more explorative methodology is advisable. In terms of data-collection methods, ethnography, observations, and explorative interviews are preferable. While it is too early to evaluate the performance effects of centralized decentralization, some initial evidence could be collected via in-depth case studies using action research methodologies.</td>
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<tr>
<td>Guideline 2. Future theoretical work on SHRM in the context of environmental crises should focus on re-examining the portfolio of AMO-enhancing practices to determine the changes brought about by the rise of digital technologies.</td>
<td>How has the portfolio of opportunity-enhancing practices evolved after the COVID-19 pandemic? How do the technology-enabled forms of working interact with ability- and motivation-enhancing practices?</td>
<td>Numerous empirical studies have examined telecommuting, flexible working practices, virtual teams, and the like. The findings will need to be revisited and re-examined in the context of the “new normal” in which “working from home” and “working from anywhere” are ongoing endeavors rather than occasional privileges granted to employees. Mixed-methods designs are recommended for examining the novel interactions between AMO-enhancing practices brought about by technology-enabled forms of working.</td>
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<td>Guideline 3: Future theoretical and empirical work on SHRM in the context of environmental crises should investigate individual- and team-level antecedents that, when aggregated, produce positive outcomes, such as organizational resilience</td>
<td>What are the individual- and team-level antecedents of organizational resilience? How can they be influenced by HRM practices? How can HRM practices become drivers of positive aggregation from the individual level to the team level and then to organizational level?</td>
<td>Multi-level reasoning needs to be applied to determine the micro-foundations of organizational resilience. The research methodologies could follow the logic established in the strategy literature on micro-foundations.</td>
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<tr>
<td>Guideline 4. Future theoretical and empirical work on SHRM in the context of environmental crises should emphasize the importance of communication as a meta-feature of a strong HRM system that sends clear signals to employees, thereby producing a strong and resilient organizational climate</td>
<td>What kind of communication about HRM is needed and who should be the message senders? How can HRM prompt the new conversation patterns needed for the collective sensemaking process? What competencies are needed to shape and articulate collective sensemaking to produce a strong and resilient organizational climate?</td>
<td>Given that the existing theory only proposes tentative answers to novel questions, researchers should prioritize using case-study research and qualitative methods of data collection. Through this approach, the researcher collects data from cases and other sources relevant to the phenomenon under study. The focus is on leveraging observed data to derive an explanation.</td>
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<tr>
<td>Guideline 5. Future theoretical and empirical work on SHRM in the context of environmental crises should revisit and re-evaluate the role and task portfolio of HR business partners in order to deal with the pressures of digital transformation.</td>
<td>What are the roles of HRBPs in the context of increased digitalization, such as automation and machine learning? What capabilities are needed to enable the interfaces between HRBPs and “centers of excellence”? How can HRBPs facilitate value creation from the rise of technology?</td>
<td>On the one hand, the literature on HRBPs is relatively well established and, hence, the chosen research methodology should be less explorative. However, given the drastic changes in the organizational context brought by the increased digitalization of business processes, that theory should be used inductively. Greater contextualization will be needed. The context should be used as a source for theorizing rather than as an empirical limitation.</td>
</tr>
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</table>

HR’s involvement in the intricate relationships and experiences throughout the organization related to strategic intent and decentralized strategic responses. More research is needed on this topic (i.e., “how to do it, not just what to do,” Jackson et al., 2014, p. 36) to build a detailed understanding of how business strategy and SHRM co-evolve...
through “informal, iterative and self-correcting social processes” (Jackson et al., 2014, p. 12). In particular, we lack knowledge of the role of HR activities in enabling the decentralized and autonomous actions of line managers (Andersen & Minbaeva, 2013). How can HRM assist organizations in determining and maintaining the minimum threshold of centralization while pushing for increased decentralization in all business processes? How can HRM help develop enduring properties of centralized decentralization? A better understanding of the tensions between centralization and decentralization, and HR’s role in enabling this dualism may help in the development of a suitable framework for studies of SHRM during environmental crises. To collect illustrative evidence along these lines, we would strongly recommend explorative (as opposed to confirmatory) research designs and the use of qualitative data-collection methods, such as ethnographic, participant-observation, and action research.

Guideline 1. Future theoretical work on SHRM in the context of environmental crises should aim to build a greater understanding of HR’s role in enabling centralized decentralization by intentionally introducing tensions and dualism into the theory and substance of the field.

The logic of horizontal fit and the understanding of HRM as bundles of AMO-enhancing practices have proven useful, even during times of crisis. Our findings indicate that additional research is required to uncover the full set of opportunity-enhancing practices in the virtual setting. The significance of opportunity-enhancing practices has been demonstrated in previous SHRM research (Jiang et al., 2013). However, in the virtual setting, the portfolio of opportunity-enhancing practices is limited. Previous research on telecommuting (e.g., flexible work, work from home) suggests that telecommuters enjoy the flexibility they have regarding the boundaries of place, time, and tasks as well as the autonomy associated with remote work. However, their work relationships suffer and they enjoy fewer opportunities to contribute to organizational development (Gajendran & Harrison, 2007). Thus, future SHRM research should revisit the AMO framework of HRM practices, expand the portfolio of opportunity-enhancing practices to include virtual settings, and re-examine the content of and inter-relationships among AMO-enhancing practices for remote-work settings. Furthermore, new empirical evidence from the post-pandemic workplace can help us understand how recent changes in the organization of workplaces caused by increased digitalization have affected the nature and content of opportunity-enhancing practices and their complementarities with ability-enhancing practices, such as talent attraction and development, and motivation-enhancing practices, such as managing employee experience.

Guideline 2. Future theoretical work on SHRM in the context of environmental crises should focus on re-examining the portfolio of AMO-enhancing practices to determine the changes brought about by the rise of digital technologies.

When discussing the link between HRM and employee or organizational outcomes, we pointed out the differences between the content (i.e., focusing on performance) and process (i.e., focusing on signaling effects and attributions) approaches. Notably, none of our respondents were concerned about the effects of HRM practices on financial performance, but they all mentioned what Guest (1997) refers to as “mediating variables”—variables that are more closely connected to employees’ behaviors (e.g., engagement, satisfaction, stress, and absenteeism).

In addition, many respondents discussed potential sources of organizational resilience—the ability of an enterprise to respond to or “bounce back” from shocks (e.g., Branzei & Abdelnour, 2010; De Cieri & Dowling, 2012). Such resilience enables organizations to “experiment with options to see what works, and adapt quickly to capitalize on emerging opportunities and avert impending disasters” (Dyer & Ericksen, 2008, p. 444). Researchers have begun to discuss organizational resilience as an important outcome variable for SHRM in the context of large-scale environmental disruptions (Minbaeva & De Cieri, 2015). However, we still lack an understanding of the mechanisms behind organizational resilience, and how it can be boosted by HRM practices that contribute to or aggregate certain outcomes (Caligiuri et al., 2020). In the language of micro-foundational research, we need multi-level explanations of the explanatory mechanisms involving individual action and interaction that link HRM and organizational resilience (see Coleman, 1990; Elster, 1989).

Guideline 3. Future theoretical and empirical work on SHRM in the context of environmental crises should investigate individual- and team-level antecedents that, when aggregated, produce positive outcomes, such as organizational resilience.

HRM as a signaling effect proved the most useful framework for understanding and guiding organizational responses to the COVID-19 pandemic. This finding echoes Sull and Sull’s conclusion (2020) that “communication again emerges as the most important differentiator between companies that saw a significant boost in their culture values score and those that suffered a sharp decline.” The crisis demonstrated that the content of the HRM processes and practices was likely less important than the mechanisms through which that content was communicated to employees (Bowen & Ostroff, 2004, 2016). For example, whether the organization had an advanced or primitive performance-management system was not important—what mattered was how line managers used the system during their regular check-ins with employees in the virtual space. Our findings also stressed the key role of organizational leaders in channeling, re-coding, and interpreting messages from the public authorities. In the context of environmental crises, a tight link between HRM and communication (with and between employees) is crucial.
We believe that the distinction between content and process can be useful for further investigating the role of SHRM in navigating organizational responses to environmental crises. As an analytical lens, this should allow SHRM researchers to “delve into many facets of how HR systems have their intended consequences (or not), regardless of the specific HR practices themselves” (Bowen & Ostroff, 2016, p. 197). In sum, in rapidly changing environments, the multiple-stakeholder perspective on HRM system strength (Bowen & Ostroff, 2016) remains instrumental for future theory-building in the field of SHRM.

Guideline 4. Future theoretical and empirical work on SHRM in the context of environmental crises should emphasize the importance of communication as a meta-feature of a strong HRM system that sends clear signals to employees, thereby producing a strong and resilient organizational climate.

The widely accepted view of HR as both a business partner and a corporate center of excellence (Ulrich, 1987) was difficult to sustain when the pandemic emerged, at least during the first lockdown. HR business partners lost their relevance as channels of strategic intent because top management communicated directly (and often) with employees. HR as a corporate center of excellence was not considered business-critical due to its narrow focus on its own processes.

Despite the usefulness and numerous advantages of the established structures revolving around HR business partners, it may be time to consider alternatives that can accommodate more agility and autonomy among line managers in making people-related decisions. Given that remote work and virtual leadership are core elements of the “next normal,” it is crucial to make the information and knowledge created by and stored in centers of excellence business-relevant and available to line managers in order to tighten the link between HR and business strategy. Along these lines, HR business partners need to expand their generalist profile (Ulrich & Brockbank, 2009) by developing an understanding of the highly specialized knowledge produced by centers of excellence. For example, in analytics, HR business partners should be able to understand what goes into statistical models and interpret their outputs. Moreover, digitally fluent HR business partners will be able to question and challenge the results of the algorithms that underpin machine learning and artificial intelligence (Luca et al., 2016).

Finally, our respondents would seem to agree with Microsoft CEO Satya Nadella, who observed: “We’ve seen two years’ worth of digital transformation in two months.” Prior to the crisis, the HR function (like many other business functions) had embarked on the path of digital transformation. However, the progress was slow (Angrave et al., 2016; Minbaeva, 2021). The lockdowns highlighted the advantages of digitized HR. Our respondents provided us with numerous examples of using digital technologies for online recruitment and onboarding processes, shifting all work processes onto digital platforms, and advancing digital-learning platforms. Unfortunately, “doing digital” (as a result of digitalization, i.e., achieving operational excellence using the advances offered by digital technologies) was prioritized over “being digital” (as a consequence of digitalization) (Conroy & Minbaeva, 2020; Minbaeva, 2021). If HR departments wish to ride the digital wave created by the pandemic, they need to accelerate the digitization of all HR business processes and systems. As Ross and Beath (2019) argue, to succeed with digital transformation, there should be a continuous emphasis on the “duality of digital”—the need to introduce fundamental changes to how we deliver business value while digitally transforming the core. For the HR function, this duality implies introducing profound digital discipline into all HRM processes and systems (Meijerink et al., 2018), and continuously reinventing its value proposition by broadening its focus to encompass the interfaces between individuals and technology (Minbaeva, 2021; Raisch & Krakowski, 2020). This requires both upskilling and reskilling of the HR function and, as we explained earlier, has implications for the role and the task portfolio of HR business partners.

Guideline 5. Future theoretical and empirical work on SHRM in the context of environmental crises should revisit and re-evaluate the role and the task portfolio of HR business partners in order to deal with the pressures of digital transformation.

The guidelines formulated earlier are further exemplified by potential research questions and comments on potential research methodologies that could be applied to operationalize them (see Table 8).

### 7 | CONCLUSION

SHRM’s dominant theoretical frameworks are built on the ideas of permanent organizations, permanent structures, established chains of command, and jobs organized using task-based descriptions (Minbaeva, 2021). Hence, we still need more knowledge about how SHRM functions in rapidly changing environments (hence, disrupting permanent structures) that are not only unpredictable and require rapid responses (hence, disrupting established chains of command), but also complex and ambiguous (hence, disrupting the notion of jobs consisting of tasks) (see the 2022 Special Issue of HRM on Strategic HRM in the era of environment disruptions). We used the COVID-19 crisis to explore whether current SHRM theories are capable of framing and delivering the academic knowledge necessary to guide efforts to address such novel, people-related challenges in organizations. We were motivated by the hope that the unexplored areas and unanswered questions in SHRM exposed by the crisis might be explored in future research.

Our main conclusion is that SHRM’s current theoretical frameworks remain a viable way of conceptualizing the key challenges posed by environmental crises such as the recent pandemic. However, as discussed in the previous section, the content perspective on HRM and organizational outcomes may become less relevant as the era is characterized by a stable environment, centralized strategic planning, simpler business models, and a traditional workforce recedes. Therefore, framing SHRM as a signaling theory centered around HRM...
attributions may offer more insights, and help shape discussions of SHRM’s role in forming organizational responses to environmental crises and building organizational resilience.

Finally, the intersection between SHRM and technologies appears to be the most promising area for future research. Technology-enabled ways of working will likely be a preferred organizational response in the context of environmental crises. The pandemic has proven that digital technologies have a profound effect on how organizations systematize and manage their work, and how they create and deliver value to customers. The recent devastating events in Ukraine support this perspective—many Ukrainian companies “quickly switched back” to online-only ways of working. In informal conversations, Ukrainian managers told us that their employees moved across different regions within Ukraine and to different countries in Europe and that the experience with digital technologies that they had gained during the pandemic eased that transition.

This study suffers from a number of limitations that should be acknowledged. First, greater contextualization of the guidelines is necessary to further our understanding of the boundary conditions associated with our theoretical arguments. In terms of generalizability, one obvious limitation is our one-country perspective. Our sample was also slightly biased in terms of industry distribution. Although we believe that our findings are relevant for all industries, there may be some differences, which should be accounted for in future empirical research.

As we explained earlier, our purpose was not to uncover causal explanations, but rather to generate a “thick description.” Therefore, many of our arguments were descriptive and could benefit from the formulation of causal explanations. Moreover, our data did not allow us to explore the performance implications of organizational responses. A different research method (e.g., a large-N, longitudinal study) might unveil such relationships.

We still have much to learn about how COVID-19 (and other environmental crises) affects the study of SHRM. However, this article offers critical insights that can be used as stepping stones toward a research agenda that deepens our understanding of the role of SHRM in navigating organizational responses to environmental crises.

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CONFLICT OF INTEREST
There is no conflict of interest.

DATA AVAILABILITY STATEMENT
Authors elect to not share qualitative data due to confidentiality reasons. Descriptive statistics are available upon the request.

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ENDNOTES
2 Descriptive statistics and the results of our initial analysis are available upon request.
3 Given the large amount of information collected in the three stages of data collection, we only discuss the four dimensions identified in Figure 1 and highlight some of the key findings from those dimensions.
4 As opposed to traditional decentralization, which is defined as a distribution of autonomy without any control (Traxler, 1995), centralized decentralization allocates a certain amount of control at a central level in the form of goal-setting and direction-giving (Due et al., 1994). Employees are then empowered to define the exact way to reach the identified goals and contextualize their actions as necessary.

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