

The role of Human Resource Management in the Digital Transformation of Small and Medium-sized enterprises

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Abstract

Within a rapidly changing economic and business environment and considering the challenges associated with Industry 4.0, digital transformation has become imperative for all types of organizations and especially small and medium-sized enterprises (SMEs), which considerably differ from large enterprises in terms of structure, culture, leadership and decision-making. According to the literature, human resource management plays an important role in the process of digital transformation of small and medium-sized enterprises, through the development of workers' digital skills, the promotion of innovative work behavior and organizational flexibility, the management of organizational change and the development of a transformative digital leadership and digital culture. However, human resource management in the promotion of digital transformation in SMEs faces several challenges, such as the lack of appropriate skills, the resistance to change, the lack of clear vision and strategic alignment, the lack of resources and the old-traditional organizational culture. The aim of this paper is to further explore the role of human resource management in the digital transformation of SMEs, considering and examining factors like digital maturity, digital leadership, digital culture and digital skills, together with the digital tools used and the challenges that SMEs face in the process of digital transformation. For the purpose of the study, a quantitative research study was conducted on a sample of 150 managers of Greek SMEs covering every sector of the economy, with the use of an online questionnaire. Findings reveal the most significant benefits and challenges of digital transformation and reveal important statistical relationships that underscore the pivotal role of HRM in facilitating successful digital transition. Through comparative analysis, the study identifies both convergences and divergences between Greek and international evidence, offering a comprehensive understanding of how SMEs can leverage HRM as a strategic driver of digital transformation.

Keywords: Digital Transformation, Human Resource Management, SMEs, Research

Acknowledgements

Funded by the grant titled "The role of Human Resource Management in the Digital Transformation of the traditional Small and Medium-sized Enterprises" (Grant No 37), awarded by the Special Account for Research Funds of the International Hellenic University. It falls under task 2 of the program "Measures to Promote Research through Financial Support to Laboratories and Institutes of the International Hellenic University" (Code No.81987).