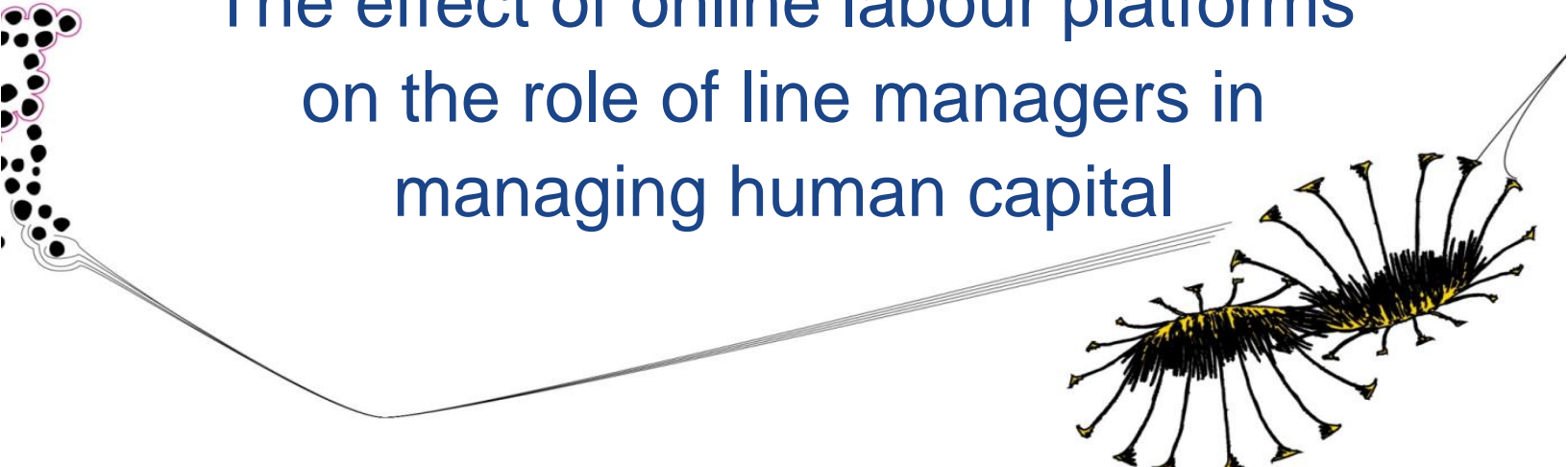# Master Thesis

The effect of online labour platforms on the role of line managers in managing human capital

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Abstract

Recognizing that human capital plays a vital role within an organization has led to organizations seeing human capital as a resource that is a potential source of competitive advantage. Consequently, the focus on human capital in organizations increases. Therefore, the role of line managers has become increasingly important, as they are responsible for directly managing on-the-job activities of internal human capital within organizations. In managing this human capital, line managers use HR architectures that taxonomize human capital. Human capital of an organization can be obtained internally and externally, and the assumption is that internal human capital is managed by line managers and external human capital is managed by external parties. Intermediaries like online labour platforms assist in obtaining human capital and they have increasingly emerged over the last years. Therefore, these online labour platforms most likely have an effect on human capital of organizations and how it is managed, since they only facilitate in bringing together supply and demand. However, the implications of online labour platforms have never been investigated, and thus this study investigates these implications on the role of line managers in managing human capital. This study aims to determine which implications online labour platforms pose for organizations in the healthcare sector. Therefore, in-depth semi-structured interviews were conducted with 11 (former) line managers from different healthcare or healthcare related organisations. Analysis of the semi-structured interviews demonstrated that online labour platforms have multiple implications on the role of line managers. The most important implications are; line managers practically need to manage their human capital individually, the selection and acquisition of human capital gets easier and of higher quality, and the increase in external employees results in greater labour expenditures and workload for internal employees. On this basis, online labour platforms have multiple implications for the role of line managers in managing their human capital. Further research is needed to identify additional implications of online labour platforms on the role of line managers in managing human capital.

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1. Introduction

Over the last ten years, the number of studies on managing human capital as a strategic resource has rapidly increased (Boon, Eckardt, Lepak, & Boselie, 2018). There are multiple definitions of human capital, however in this research human capital specifically refers to the knowledge, information, ideas, skills, and health of individuals (Polyhart, Nyberg, Reilly, & Maltarich, 2014). This increasing interest is a consequence of the development of the resource-based view, where human capital is seen as a resource that could be a potential source of competitive advantage. HRM scientists focus in their research on the investment in human capital and how to manage the development of human capital in organizations. Human capital and the strategic use of it is positively associated with the firm performance (Becker & Huselid, 2006). Therefore, human capital becomes increasingly important for organizations, because organizations realize that managing their human capital can contribute to higher performance and can create sustained competitive advantage (Fu, Flood, Rousseau, & Morris, 2018) (Lepak & Snell, 1999).

Human capital can be distinguished into two groups, internal human capital and external human capital. The management of human capital is often described as a 'make-or-buy' decision. Organizations can internalize employment, by which employee' skills are obtained through training and development, and externalize employment, whereby functions are outsourced to market-based agents (Lepak & Snell, 1999). The decision to internalize or externalize employment of human capital is based on the value and uniqueness of human capital (Lepak & Snell, 2002). This means that human capital that scores high on value is likely to be internalized within the firm, and human capital that scores low on value may remain external to the firm. Organizations may choose to outsource human capital that scores low on value, since outsourcing involves the use of external skills and capabilities (Lepak & Snell, 1999). Lepak and Snell (1999) established a framework of human capital and how human capital can be managed based on their value creation and asset specificity (Kang, Morris, & Snell, 2003). This architecture points out that not all employees contribute in the same way, meaning that some types of human capital are internalized while others are externalized. This ultimately results in different HR configurations being used to manage different groups of employees (Lepak & Snell, 1999) (Kang, Morris, & Snell, 2003).

This study focuses on the impact of human capital outsourcing through labour market intermediaries (LMIs). LMIs mediate between the individual worker (employee) and organizations that need work done (Bonet, Capelli, & Hamori, 2013). A novel way to obtain external human capital that is becoming more popular is through online labour platforms like Amazon, Mechanical Turk, and Indeed. These platforms enable organizations to acquire human capital through an online interface. Platforms are used as intermediaries and facilitate the process of acquiring human capital. Organizations can post a vacancy on the platform and the individual worker (employee), who is seeking employment, can apply via the platform. Originally, human capital that is obtained via external parties (LMIs) is also managed by these external parties, and internal human capital is managed internally. The foundation of the emergence of platforms is one of the consequences of digitalization. The digitalization of communication resources makes it easier for LMIs like temp agencies to communicate with possible employees. However, platforms do not make acquiring human capital easier for LMIs only, since organizations can also use these platforms to acquire their own human capital. Therefore, the process of obtaining human capital has changed due to the emergence of platforms. Now, platforms are used as intermediaries and facilitate in the process of acquiring human capital. This implicates that due to the fact that human capital can be obtained differently, the employment modes of human capital change within an organization.

A consequence of this change in acquiring human capital could imply that human capital from internal and external sources needs to be managed differently. This assumption is supported by Lepak and Snell (1999: 45) who recognized that there were limits on their original conception on how different types of human capital can be managed. Within organizations line managers are responsible for managing the organizations' human capital. Line managers are managers who are responsible for directly managing the on-the-job activities of subordinates and include supervisors and team leaders (Fu, Flood, Rousseau, & Morris, 2018). Since human capital is seen as a resource, the focus on managing human capital has increased. Consequently, line managers may become more important, as they are responsible for managing the human capital of an organization. Line managers make use of different types of HR configurations, which enables them to manage different types of human capital (Sikora & Ferris, 2014).

Organizations can obtain human capital internally and externally. Originally, line managers are responsible for managing internal human capital, and external parties are responsible for managing external human capital. However, there is a shift in the employment of employees. Organizations increasingly depend on external employees and employees choose to become an external employee (i.e. freelancer). This shift most likely causes that line managers become increasingly responsible for managing external human capital. Besides, due to the emergence of online labour platforms, line managers can obtain external human capital in a novel way. However, online labour platforms only facilitate organizations in acquiring human capital, but they do not manage external human capital. Therefore, this will most likely have consequences for managing human capital within organizations, as organizations need to manage both internal and external employees. The management of both internal and external human capital could cause frictions within the organization, because there will most likely be different contractual arrangements, responsibilities and interests. The shift in employment of employees and the use of online labour platforms will most likely have consequences for line managers in the management of human capital. However, it is unknown what the consequences are, so that is why the following research question has been formulated: *'Which implications do online labour platforms have for the role of line managers in managing human capital?'*

This research contributes to the existing literature on human capital and how human capital can be managed (Lepak & Snell, 1999). Also, the influence and impact of online labour platforms on human capital outsourcing is investigated in this research. The emergence of online labour platforms has implications for the role of line managers in managing human capital. Therefore, the theoretical contribution of this research lies in how platforms affect managing human capital in organizations (Lepak & Snell, 1999). The practical contribution lays in understanding the consequences for the role of line managers in managing human capital. Thus, answering the research question aims to gain further knowledge and generate new theoretical and practical insights on human capital management and the changing role of line managers on the management of human capital, due to the emergence of online labour platforms.

The structure of this research is as follows. In the 'theoretical framework' section, human capital and how human capital could be managed within organizations will be discussed. Also, the role of platforms will be elaborated on and which consequences the emergence of platforms could have for managing human capital, and the role of line managers. The 'method' section represents how this research is conducted, including the research instruments, sample, measures, and the analysis. In the 'results' section, the measures are validated, and the results of this study are presented. The results section is followed by a 'discussion' section, where the implications of the results will be discussed. Closing, the discussion section is followed up by a 'conclusion' section where the conclusion of this research is given.

2. Theoretical framework

2.1 Human capital and the HR architecture

Human capital has become increasingly important (Boon, Eckardt, Lepak, & Boselie, 2018) (Becker & Huselid, 2006). Organizations now comprehend that human capital can contribute to the firm performance, when developed and managed properly (Becker & Huselid, 2006). How different types of human capital can be managed in an organization can be delineated in an HR architecture. Lepak and Snell (1999) designed an overview of the HRM architecture. Depending on the value and uniqueness of human capital, they constructed four quadrants on how employee groups could be managed. In these four quadrants are distinctions made in employment modes, employment relationships and HR configurations. This paragraph discusses what human capital is, what an HR architecture is, what an HR architecture does, and what the four quadrants are.

2.1.1 Human capital

The interest in human capital has emerged over the past decade. As elaborated in the introduction chapter, human capital can be obtained internally and externally. Therefore, how human capital is acquired is often described as a make-or-buy decision. Human capital is in this research defined as the knowledge, information, ideas, skills, and health of individuals (Polyhart, Nyberg, Reilly, & Maltarich, 2014). Researchers in the field of strategic human capital have focussed on how human capital may serve as a valuable resource in organizations (Boon, Eckardt, Lepak, & Boselie, 2018). Next to that, researchers in the field of strategic HRM have been studying how employees could be managed within organizations. The aim of strategic HRM is how investments in human capital could increase firm performance by using HRM systems. Their focus is more on managing and developing (making) the human capital of an organization then on the obtaining human capital externally (buying) (Becker & Huselid, 2006).

As mentioned in the introduction, organizations have two types of human capital, namely internal human capital and external human capital. Therefore, organizations have the choice to internalize employment, by which employee' skills are obtained through training and development, and/or externalize employment, whereby functions are outsourced to market-based agents (Lepak & Snell, 1999). The internal human capital is often managed internally, and the external human capital is often managed externally. The decision to internalize or externalize employment are mainly based on the characteristics, value and uniqueness, of human capital (Lepak & Snell, 2002).

2.1.1.1 Human capital value

Human capital value is defined as the ratio of strategic benefits (valued and marketable to customers) derived from a skill set relative to the costs incurred in managing and retaining the employees with these skills (Lepak & Snell, 1999, p. 35). Human capital is a resource that can be of value, since it potentially enables an organization to enact strategies that improve efficiency and effectiveness, exploit market opportunities, and/or neutralize potential threats. Value is determined by consumers' perception, because value is the amount that the consumer is willing to pay (Lepak & Snell, 1999). Therefore, human capital value can be influenced by for example strategy and new technologies, since the value of an employee can increase when the contribution rises, due to implementation of new technologies. The literature suggests that the human capital value increases together with the probability that organization employ human capital internally (Barney, 1991) (Quin, 1992). Still, this human capital must contribute to the core competence of an organization to be valuable. Like other resources, human capital can also be distinguished into core resources and peripheral resources. Core resources are more important for organizations than peripheral resources in creating competitive advantage (Lepak & Snell, 1999). An

increase in value of core resources of an organization could be beneficial with regards to competitive advantage. However, when the value of core resources decreases, the competitive advantage of a firm could be in jeopardy. The latter could happen when other organizations offer the same skills (human capital) and/ or products.

Moreover, human capital value has a direct impact on firm performance, thus it is likely that it influences employment decisions. Human capital categories that are of high value and score high in creating value for organizations are likely to be obtained internally. This type of human capital categories often includes managers and employees that score high on value creation (often technical engineers). These employees with high value human capital are likely to have inside information about the value creation process and the customers of the organization (Gardner, 2005). This means that the value of employees' human capital will be less by another firm, and therefore will internal development less likely result in human capital loss. Therefore, this human capital is often hired and managed internally and not in cooperation with other organizations, since their human capital often creates competitive advantage and is thus too valuable to share. On the other hand, human capital categories that are of low value and score low in creating value for the organizations are likely to be obtained externally, because they do not sufficiently contribute to the competitive advantage of an organization. This type of human capital may include production workers and temporary workers. These employees are typically low skilled, receive low wage and perform non-essential duties (Gardner, 2005). Also, low value human capital does not create competitive advantage for organizations. Low value human capital can be acquired through cooperating with other organizations like temp agencies or other LMIs. Therefore, this human capital is often hired and managed externally and in cooperation with other organizations (e.g. temp agencies). Besides, organizations can create only a limited amount of additional value through development and management (Gardner, 2005). Hence, improving the performance of low value human capital that has no critical value for the production process is unlikely to provide additional value relative to the costs of the performance improvement. Therefore, investing in human capital is not always beneficial for the organization. Thus, when the human capital value increases, so too does the likelihood that organizations will employ internally (Lepak & Snell, 2002).

2.1.1.2 Human capital uniqueness
Human capital uniqueness is defined as the degree of rareness, specialization and firm-specificity (Lepak & Snell, 2002). Human capital resources that are difficult to imitate and/or not yet available on the labour market are unique human capital resources (Lepak & Snell, 2002). Human capital uniqueness can result from several factors. For example, from skills that are used in extraordinary circumstances or skills that are interdependent, because they require more expertise or tacit knowledge (Lepak & Snell, 1999). The uniqueness of an organization's human capital can be enhanced through unique operational procedures and team-based production that could result in development of tacit knowledge and enhanced social complexity. Human capital that is unique often involve idiosyncratic learning processes and are therefore not likely to find on the labour market. Therefore, the degree of human capital uniqueness influences the decision to internalize and/or externalize human capital.

Unique and firm-specific human capital cause an increase in asymmetric information, which creates an economic incentive to internalize human capital (Lepak & Snell, 2002). Organizations are interested in specificity, because of the limited applicability of the skills the employees acquire or have (Boon, Eckardt, Lepak, & Boselie, 2018). This limits their mobility options and so protects the organizations economic value, and this is in line with human capital theorists who argue that organizations are more willing to invest in non-transferable skills (Lepak & Snell, 2002). These skills are often unique firm specific skills that can not be used in other organizations, and therefore increase the dependency on the employer (Williamson, 1981). However, there is always a risk for organizations when they invest in their human

capital in order to acquire firm specific skills, because there is always a chance that these employees leave the organization and move to a competitive organization. Despite the limited applicability of the firm specific skills, the risk increases because of the associated development costs (e.g. education, training) (Gardner, 2005). On the other hand, it is more likely that organization acquire generic (non-unique) human capital externally (Lepak & Snell, 2002). The employees with low value human capital are likely to have generic skills and are therefore readily available on the labour market. Employees are expected to make their own investments in generic(transferable) skills, or to cover the costs through lower wages (Lepak & Snell, 2002). Generic human capital may not justify the costs of internal development in comparison to the incurred costs, depending on the labour market to secure these non-unique skills. Therefore, it is more likely that organizations acquire generic human capital externally and pay the market wage for labour.

In addition to the value creation capability of employees, the degree of firm-specificity employees' skills can also be taken into account in managing human capital (Gardner, 2005). Next to the choice to internalize and/or externalize human capital, organizations also have the opportunity to manage the employment relationship through a hybrid relationship (i.e. alliance). When the human capital becomes more idiosyncratic, externalization can incur excessive costs (Lepak & Snell, 1999). So, the degree of uniqueness of human capital influences the mode of employment for development. When the firm specificity of skills becomes greater, it is more likely that firms will internalize the employment relationship (Gardner, 2005). However, when the skills are highly general(generic), it is more likely that organizations will externalize the employment relationship. When the skills are not highly general or highly specific, organization could also choose to engage in an HR alliance. Figure 1 illustrates the continuum of generality and firm specificity of skills, and the choice to externalize or internalize the employment mode.

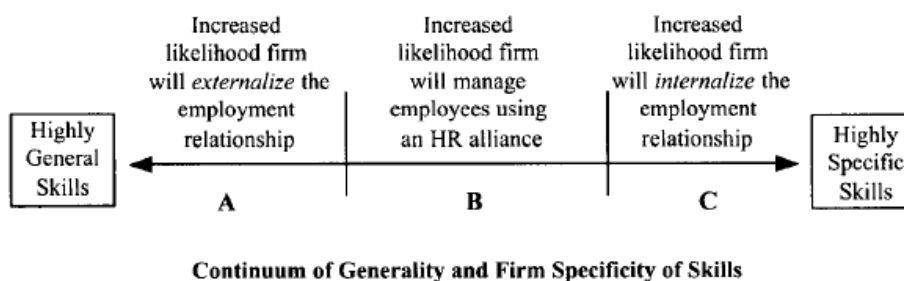**Continuum of Generality and Firm Specificity of Skills**

Figure 1.: The continuum of generality/specificity of skills on organization choice to externalize or internalize the employment relationship. (Gardner, 2005)**.**

2.1.2 HR architecture

Human capital is the most important resource of an organization, and this has been increasingly recognized by researchers and organizations (Boon, Eckardt, Lepak, & Boselie, 2018) (Lepak & Snell, 1999). Lepak and Snell (1999) recognized that it may be inappropriate to suggest that there is a single optimal HR architecture for managing all employees. An HR architecture can be defined as various components of HR fit together and are managed to meet HR's strategic objectives (Lepak & Snell, 1998). The HR architecture is a human capital framework and is called an architecture because it allows to draw inferences about the form and function of the HR system. According to Becker and Huselid 'Unique and firm-specific HR architectures that contribute to unique and inimitable strategic capabilities will contribute to sustainable competitive advantage' (2006: 904). Thus, the uniqueness of human capital enables organizations to form unique HR architectures, which results in competitive advantage on the organizational level. Furthermore, in the HR architecture of Lepak and Snell (1999) is a distinction made between human capital that is

obtained internally and externally. This distinction is based on the value creation of human capital, because human capital that has a limited value creation will be obtained externally (in most cases) and human capital that scores high on value creation will be obtained internally (in most cases). According to Lepak and Snell (1999), there is a notion that the HR architecture of an organization is consistent with the conceptualization of organizational configurations. However, they notice that there can be multiple HR configurations within a single organization. Therefore, the different HR configurations can represent different types of human capital within the organization. In Figure 2 are the relationships described between the HR configurations and the characteristics of human capital, employment modes and employment relationships. For the explanation of the HR architecture and the mutual relationships of the components in the theoretical model (figure 2.), Lepak and Snell (1999) have drawn upon three theoretical perspectives, because each individual perspective explains only part of the logic in understanding how organizations can manage their employees. They combine the transaction cost economics theory, the resource-based view theory, and the human capital theory to determine the appropriate workforce architecture for the organization.
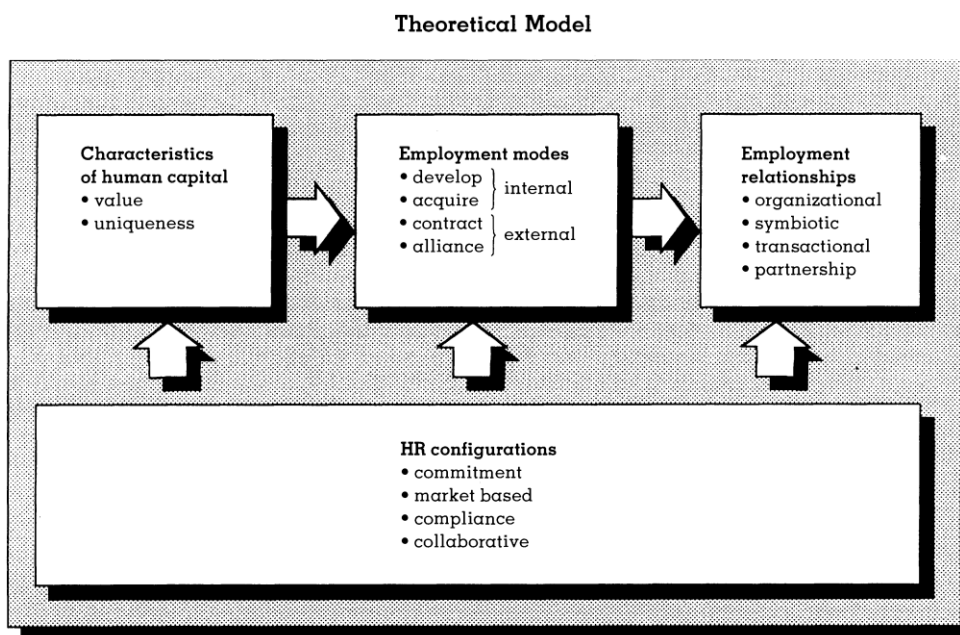
Theoretical Model

Figure 2.: Theoretical model (Lepak & Snell, 1999)

Based on the value and uniqueness of human capital, Lepak and Snell (1999) have constructed four quadrants on how employee groups could be managed. In the four quadrants of the HR architecture distinctions are made between employment modes, employment relationships and HR configurations.

Quadrant 1 consists of human capital that is both of high value and of high uniqueness. This type of human capital is very firm specific and valuable, and this are financial and strategic incentives for organizations to obtain this human capital internally. Further, the employment relationship of this human capital is organization focused, which is a relationship that is focused on a significant long-term mutual investment and involvement for both parties (employer & employee) in developing firm specific skills (Lepak & Snell, 1999). In order to create an organization focused employment relationship, organizations rely on commitment-based HR practices which maximizes the employee's involvement and the firms' return. So, employees in quadrant one can be seen as 'core' employees, because their human capital is both valuable and unique.

Quadrant 2 consists of human capital that is of high value but of low uniqueness. This type of human capital is of high value and low uniqueness to an organization, and therefore gives the organization an incentive to obtain this human capital internally (Lepak & Snell, 1999). However, the organization may be hesitant to invest in the development of this human capital, because the skills are not firm specific and/or unique. Because of these conflicting pressures may organizations reconcile to acquire (i.e., buy) this type of human capital that does not need further investment from the labour market. Organizations strive to establish a symbiotic employment relationship to manage this type of human capital, that is based on the premises of mutual benefit (Lepak & Snell, 1999). The emphasis of the HR configurations are on staffing and deploying, because this type of human capital is purchased externally and not developed internally (Lepak & Snell, 1998). Thus, employees in quadrant two can be seen as careerists, as their human capital is valuable but not firm specific. So, they will most likely use their talents where they receive the highest compensation.

Quadrant 3 consists of human capital that is both of low value and of low uniqueness. This type of human capital is generic and of limited value to the organizations and is therefore often obtained externally (Lepak & Snell, 1999). Organizations could employ externally to reduce employment costs and increase the degree of flexibility. This is possible because there are many alternative sources for this type of human capital. The employment relationship focuses on short-term economic exchanges and is called transactional. Organizations do not expect commitment of this type of human capital because it is externally obtained human capital, but they expect them to comply to the rules, regulations and contractual agreements. So, employees in quadrant three are often temporary employees who perform contract work.

Quadrant 4 consists of human capital that is of low value but of high uniqueness. This type of human capital is unique but is of limited value for the organization. Therefore, this type of human capital is often obtained externally (Lepak & Snell, 1999). Because of the limited value, it is often not worth the expense to develop this human capital internally, despite the uniqueness of these skills. In order to use this unique but low value human capital, organizations form alliances where each party contributes to a shared outcome. The employment relationship is based on partnerships, which includes information sharing, collaboration and trust. Therefore, the HR configurations focus on the relationship, process facilitation and team building. So, employees in quadrant four could be engineers, scientists, designers who combine knowledge to produce a cospecialized product that is beneficial for both parties. A summary of the HR architecture of Lepak and Snell (1999), is depicted below in figure 3.
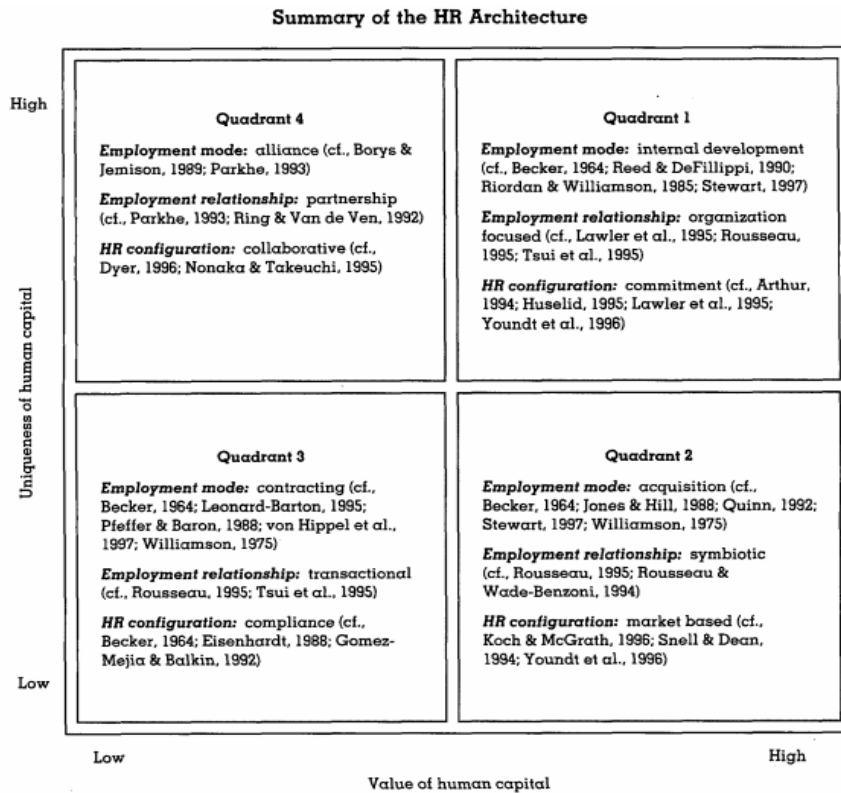
Summary of the HR Architecture

Figure 3.: Summary of the HR Architecture (Lepak & Snell, 1999)

2.2 Online labour Platforms

2.2.1 Platforms

Besides the increasing importance of human capital, platforms are also becoming increasingly important. There are many different kinds of platforms like platforms from which to speak, technical platforms, online platforms, and platforms of opportunity (Gillespie, 2010). So, the term platform is widely used and has several meanings, even though there is no consensus about an agreed-upon definition of platforms. This research focuses on online platforms, which is one specific subgroup of platforms that enables individuals to exchange goods and services without an intermediary. The term 'online platform' describes all online spaces where users engage in commercial and non-commercial interaction with each other (Gillespie, 2010). The European Commission defines platforms as 'an undertaking operating in two (or multi)-sided markets, which uses the Internet to enable interactions between two or more distinct but interdependent groups of users so as to generate value for at least one of the groups' (Eureopean Commision, 2015). The reason that it is so hard to define platforms is because there are so many different online platforms with different purposes, sizes and business models. To put it briefly, in this research are platforms defined as online intermediators which offer transaction and facilitation services.

This study particularly focuses on online labour platforms, because these bring together human capital who offer their services and parties who need/ buy human capital. Online labour platforms are a specific type of platform and the main purpose of these platforms is bringing together supply and demand in the mediating role. Concepts in the online platform world like 'collaborative', 'on-demand' or 'sharing' economies have become increasingly popular (Eureopean Commision, 2015). These concepts promote a future vision where under-utilised assets (e.g. cars, equipment, accommodation) and human capital

become a resource. Also, these kinds of platforms might offer new economic opportunities which could promote economic growth (Eureopean Commision, 2015). A characteristic of many platforms is a triangular relationship between three actors (Dittrich, 2018). The three actors in this research are clients, platform workers, and platforms. Online labour platforms are referred to as online labour platforms in this research. Platforms offer intermediation services and charge the platform workers and clients for the transactions that take place between them. These platforms facilitate in the supply and demand of human capital for organizations. Individuals who present the skills they possess and/or the services they offer whilst making use of online labour platforms are referred to as platform workers in this research. These platform workers include all individuals who offer their human capital via platforms (e.g. freelancers and contract workers). Organizations and individuals that want to make use of the services of platform workers are referred to as organizations and clients in this research. Clients are both individuals and organizations who employ platform workers and make use of their human capital. So, platforms enable the ability of platform workers to be employed by clients.

The emergence of online labour platforms and the increasing popularity have direct implications for human capital within organizations. The standard employment relationship between an employer and employee change, due to the emergence of online labour platforms (Meijerink & Keegan, 2019). The standard employment relationship as discussed in the article of Lepak and Snell (1999), is absent within the organization. Online labour platforms do not employ platform workers in most cases, thus the platform workers do not have an employment relationship with an organization. This distinguishes them from other types of flexible labour workers who are employed by an organization (e.g. temporary workers who are employed by a temp agency). These types of workers are 'hired' on demand, without guarantee of ongoing engagement after the assignment is completed (Meijerink & Keegan, 2019). Online labour platforms are mainly (74%) focused on low- to medium-skilled work (Eureopean Commision, 2015). This means that many of the platform workers fall into the category that possess generic skills and not necessarily unique skills. A consequence is that many platform workers like bike couriers and data-entry workers are easily replaceable. This is a reason for concern, because it means an increase in precarious employment (Eureopean Commision, 2015). Platform workers that offer their skills via online labour platforms face serious issues concerning a lack of stable income, the expectation to work at any moment, and extreme low wages (Fabo, Karanovic, & Dukova, 2017).

Moreover, despite the increase in precarious employment, it could still be beneficial for platform workers to become self-employed. Important reasons for this are autonomy and financial differences (Barringer & Ireland, 2016). This especially applies to employees with high uniqueness and/or high value of human capital. This type of human capital could easily leave their former organization as an internal employee and offer their human capital as an external employee to the same organization or other organizations. This implies a change in the employment relationship, because platform workers are managed externally (Lepak & Snell, 1999). However, when platform workers find their job through an online labour platform, they are most likely managed internally, while they are external employees. If this is the case, it could change the view of Lepak and Snell (1999) on how human capital is obtained and managed. Also, online labour platforms enable especially contract workers with unique skills to be employed by interested parties, because these skills are often scarce and firm specific. Therefore, these contract workers could ask a relatively high wage for their human capital, which is in line with the resource-based view.

2.2.2 Labour market intermediaries

Online labour platforms belong to the category of labour market intermediaries. Labour market intermediaries (LMIs) mediate between the individual worker (employee) and organizations that need work done (Bonet, Capelli, & Hamori, 2013). So, LMI's play a mediating role between platform workers

and clients with regards to obtaining and managing human capital. However, mediating human capital is in most cases not the only function of an LMI. Besides the mediation role of LMI's, they also shape how individual workers are matched, how they perform their instructed tasks and how possible conflicts between the organization and other individual workers are resolved. There are different types of LMI's like professional employer organizations (PEOs) that work in the field of legal obligations, temp agencies that offer lease labour and executive search firms that act as brokers of vacancies (Bonet, Capelli, & Hamori, 2013). This means that organizations can obtain their external human capital in multiple ways.

LMI's increasingly rely on technology and the internet, where they can install their online labour platform (Meijerink & Keegan, 2019). Online labour platforms distinguish themselves from other LMIs because they can offer a lot of other activities (e.g. pay administration, performance management). Online labour platforms can match platform workers and organizations, without actually employing or having an employment relationship with the platform worker (Meijerink & Keegan, 2019). Online platforms like LinkedIn are not online labour platforms, but only information providers. That kind of platforms only provide information about the existence of individuals and the need for supply and demand (Bonet, Capelli, & Hamori, 2013). Their involvement ends when that information is shared, while online labour platforms have a more durable involvement (Meijerink & Keegan, 2019). Also, LMI platforms (e.g. employer organizations and temp agencies) may look similar, but they also differ. These LMI platforms have the same triangular relationship, but they actually employ their platform workers (Meijerink & Keegan, 2019). Thus, because online labour platforms differ from other LMI's, this could imply a change in the employment of platform workers. This means a change in the way how human capital can be obtained and managed (Lepak & Snell, 1999). Most likely, the uniqueness of human capital in particular determines if human capital will be obtained internally or externally. Thus, temp agencies manage their own human capital, but platform workers who are obtained via platforms are managed by clients. This alteration has implications for line managers in managing human capital, and this is discussed in the following section.

2.3 The role of line managers

2.3.1 Line managers

Line managers play a critical role in managing human capital and therefore in the implementation of HR practices (Bos-Nehles, Riemsdijk, & Looise, 2013). In this research, the term line manager is used to refer to those responsible for directly managing the on-the-job activities of subordinates and include supervisors and team leaders (Fu, Flood, Rousseau, & Morris, 2018). This means that line managers manage the internal human capital of an organization (Lepak & Snell, 1999). In their role as line manager, they are responsible for managing internal human capital with HR configurations. This means that they maintain a direct relationship (i.e. dyadic relationship) with the employees (Bos-Nehles & Meijerink, 2018). Line managers are now mainly focusing on the value creation of human capital, because human capital that scores high on value creation is mostly obtained and managed internally, while this is not always the case for human capital that scores high on uniqueness (Lepak & Snell, 1999). For managing human capital, line managers use HR configurations and they therefore apply HR practices to all employees in order to gain knowledge about their common needs as well as in sharing knowledge. However, line managers have to take into account the different needs of employees. Employees differ and therefore, not all employees want the same development opportunities and their interest in responsibility and participation could also differ (Fu, Flood, Rousseau, & Morris, 2018). Hence, a direct relationship between all employees, including the line manager, is of importance.

In developing and maintaining a proper employment relationship, it is of importance that line managers are consistent and individual responsive in managing their human capital (Fu, Flood, Rousseau, & Morris,

2018). When HR practices are in implemented in a way that they are both, consistent and individually responsive, the benefits of the HR practices are enhanced. Individual responsiveness, under conditions of consistency, can lead to employee satisfaction, with their jobs and manager, along with commitment to working in a team where employees are treated equally (Fu, Flood, Rousseau, & Morris, 2018) (Khilji & Wang, 2006). So, line managers have a positive effect on the creation of the employment relationship when they are both consistent and individually responsive, and therefore they are a critical link in managing human capital (Jiang, Takeuchi, & Lepak, 2013).

2.3.2 Consequences of online labour platforms on the role of line managers

However, due to consequences of the emergence of platforms, the way how human capital is managed as proposed by Lepak and Snell (1999) is likely to change. Therefore, the role of line managers on how they currently manage human capital is also likely to change. First, the employment mode is different for each quadrant and can be divided in two categories. Organizations have the possibility to develop human capital internally and externally and both have their pros and cons (Lepak & Snell, 1999). It is difficult for organizations and line managers, who are responsible for managing human capital in an organization, to find the right balance in internal and external employment modes. External employees may have the same human capital characteristics as internal employees, and may therefore belong to the same quadrant in the HR architecture of Lepak and Snell (1999). This could possibly mean that internal and external human capital is managed in the same way, once their uniqueness and strategic value is comparable, and not because their internal or external acquisition. When this is the case, organizations may invest in contract workers who leave the organization on short notice and therefore loose the investment. Also, the skills that may be of high strategic value are lost when the contract worker leaves the company. Possibly, the acquired high strategic skills may be transferred to a competitor, which negatively affects the competitive advantage of an organization. Line managers have multiple options for employing external employees and they have to decide whether to employ external employees from temp agencies or platform workers. Their choice affects the balance in an organization, but also their own role in managing human capital. It is especially difficult for line managers who work in a smaller organization without an HR department, because their role and responsibility increase directly when they decide to employ platform workers. So, the decision for external employment has become more difficult, because of the increasing options. Thus, it is important that the employment modes within an organization are in balance and managed carefully, because it may directly affect the competitive advantage of an organization.

Second, the employment relationships differ in every quadrant of the HR architecture of Lepak and Snell (1999) and this could lead to conflicts within the organization. This could be the case when external employees belong in the same quadrant as internal employees, based on their value and uniqueness, and therefore share the same relationship with the organization. For example, when internal employees who belong in quadrant two and therefore have a symbiotic employment relationship, have the same employment relationship with the organization as external employees. They may feel disadvantaged, because in their perception, only internal employees deserve a relationship based on the utilitarian premise of mutual benefit (Lepak & Snell, 1999). On the other hand, when external employees who belong in the same quadrant based on their value and uniqueness as internal employees receive different employment relationships, it could lead to conflicts with the line manager and organization. External employees want to be treated equally and according their skills and capabilities. Consequently, it is difficult for organizations to maintain the right employment relationship, because the employment relationships are not as straightforward as stated in the HR architecture of Lepak and Snell (1999). Good organizational relationships are important for the value creation, because relationships facilitate information sharing and knowledge creation (Kang, Morris, & Snell, 2003).

Third, the HR configurations that are assigned to each quadrant may differ within the quadrant. When this is the case, human capital is not managed optimally. For example, individuals with certain skills and capabilities may be of high strategical value and high uniqueness to an organization. These individuals can offer their skills and services to organizations. Possible incentives for this are the need for autonomy or higher financial rewards than by their former organizations (Barringer & Ireland, 2016). However, this deviates from the perceptions of the HR Architecture of Lepak and Snell (1999), because human capital that is employed externally should be of low value and/or uniqueness. Therefore, also people that are externally employed could belong to quadrant one or two, due to their degree of value and uniqueness. When this is the case, the HR configurations that belong to each quadrant may not fit anymore. The 'commitment' HR configuration that this type of human capital should have, based on their human capital, does not comply with the 'compliance' HR configuration, that belongs to their employment mode. This could also be the case for the other quadrants.

So, the emergence of online labour platforms could affect the role of line managers in managing human capital. Originally line managers are solely responsible for managing internal human capital, but they become increasingly responsible for external human capital and one of the reasons for this is the emergence of online labour platforms. The three reasonings discussed above are three possible implications for the role of line managers. These implications could be in the three different areas of managing human capital namely the employment mode, employment relationship and the HR configurations. However, the precise implications in these areas are unknown. Therefore, this research focusses on possible implication in these three areas for line managers in managing human capital.

3. Methods

In this section, the research method of this research is justified. Firstly, is the research design discussed and why this research design is chosen. Secondly, the type of data collection method is elaborated on and how the data is collected. Thirdly, the sample that is used in this research is discussed, including its characteristics. Fourthly, the measures section are the variables operationalized and is the validity of this research justified. Lastly, the measures section is followed by the data analysis section, where is explained how the interviews are analysed.

3.1 Research design

To be able to investigate the implications of online labour platforms on the role of line managers in managing human capital, an exploratory study is conducted. This type of research is typically used when there is little existing research on the subject and when the subject of the study is relatively new (Meyers, 2009). Besides, this type of research is particularly useful when a certain problem, issue or phenomenon needs to be clarified, because the precise nature is uncertain (Saunders, Lewis, & Thornhill, 2016). This study investigates the possibly changing role of line managers in managing human capital, which is relatively new, and the precise nature of this change is uncertain. Therefore, an exploratory study design is justified.

This study can be characterized as a qualitative interview-based research. So, the results and conclusions are based on interviews only. This study tries to get a detailed understanding of the implications of online labour platforms on the role of line managers in managing human capital. Therefore, semi-structured interviews are used in this research.

This study focuses on the healthcare sector, as the research that has been conducted was appropriate for this particular sector. This sector has a large variety in its workforce, and is therefore very suitable to investigate the theoretical implications of this research. Also, some organizations in the healthcare sector can not avoid employing external employees since they are obliged to provide healthcare. So, because of the large variety in its workforce and the fact that external employment can not always be avoided, the healthcare sector is very suitable for this research. Therefore, the implications within the employment mode, employment relationship, and HR configurations will be studied within the healthcare sector. In an effort to understand the implications that follow from the emergence of online labour platforms, line managers of multiple healthcare related organizations are interviewed. This research uses interviews because this type of data collection method gives space to dive deeper into relevant topics and situations. A criterium for the line managers that are involved in this research is that they manage human capital that is obtained via an online labour platform (i.e. platform workers). Line managers from multiple healthcare related organisations are interviewed, with as purpose to get a holistic view of the implications in the entire healthcare sector. The line managers that are interviewed are active in the fields of pharmacy, hospital, homecare, healthcare services, and health insurance.

3.2 Data collection method

There are multiple ways to conduct exploratory research (e.g. Interviewing 'experts', in-depth individual interviews or focus group interviews) (Saunders, Lewis, & Thornhill, 2016). In this research, the qualitative data collection will consist of in-depth interviews with line managers. Because of the exploratory nature of this research, the interviews are semi structured (Saunders, Lewis, & Thornhill, 2016). As the primary data collection consists of only one data collection technique, namely semi-structured interviews, the research is a mono method qualitative study. Therefore, the analytical procedure corresponds with the data collection technique that is used (Saunders, Lewis, & Thornhill, 2016). The analytic procedure is

elaborated on in section '3.5 data analysis'. A semi-structured interview can be defined as an interview in which the interviewer starts with themes, but is allowing the order in which the interview is conducted to adapt, in order to ask other related questions that might appear (Saunders, Lewis, & Thornhill, 2016). The data is collected through semi-structured interviews in five health care related organizations that make use of platform workers.

The location of the interview is decided upon by the interviewee, as they are located throughout the country. During the arrangements of the interviews, the interviewees are given notice that a face-to-face interview is favourable, but that other options (e.g. Skype, by phone) are also possible. A face-to-face interview is favourable since it improves the quality of the interview. For example, non-verbal communication can also be noticed during a face-to-face interview. That is also the reason why skype is the best alternative when a face-to-face interview is not possible. This option creates a face-to-face experience without physically being in the same room and is therefore used as the most viable option when face-to-face interviews are not possible.

Moreover, for this research is an inductive research approach used. The emphasis of inductive research lies, amongst others, with discerning the relations between humans and events, knowledge of the context in which the research is being conducted, and qualitative data collection (Saunders, Lewis, & Thornhill, 2016). The decision to use an inductive research approach rather than a deductive approach, was based on the lack of a hypothesis within the project. For the deductive approach, a testable proposal which concerns the relation of multiple concepts or variables needs to be established (Saunders, Lewis, & Thornhill, 2016). This approach will not be applicable within this research, because there is no testable information about the implications of online labour platforms on the role of line managers in managing human capital.

Since this research is an exploratory study that focusses on possible implications on the role of line managers in manging human capital, only interviews with line managers will be of use. Therefore, individuals that are interviewed are line managers who manage human capital which include platform workers. The sample is discussed further in the section '3.3 Sample'. Regarding the primary qualitative data collection, data saturation is a widely accepted methodological principle in qualitative research (Saunders, Lewis, & Thornhill, 2016). Therefore, this principle is used in this research. Saturation is defined as the point in coding when you find that no new codes occur in the data, and when there are mounting instances of the same codes (Saunders, Lewis, & Thornhill, 2016). 11 interviews are conducted, after which the data saturation principle is checked. In case there is no saturation within the collected data, more interviews are conducted if deemed necessary. When it is not possible to conduct more interviews due to a lack of available interviewees that meet the criteria, a failure of data saturation is included in the limitation section. Stakeholders in this research are mainly the organizations where the line managers are employed, because they are given hands on how their line managers can manage human capital optimally. Also, line managers are stakeholders, because they benefit from the knowledge on how they have to manage their human capital. Another stakeholder are online labour platforms, because they gain new knowledge about their role as intermediary in the triangular relationship between online labour platforms, platform workers and clients.

Before conducting the interviews, an interview schedule was made. This interview schedule is the same for all interviewees. The basis of the topics of the interview schedule are derived from the variables of the HR architecture of Lepak and Snell (1999). These variables are further discussed in section '3.4 operationalization'. Since the interviews are semi-structured, all topics are discussed, and elaborated on when deemed necessary. The interview schedule is attached in Appendix 1. Before the interviews began,

the interviewees were asked whether they prefer to do the interview in English or in Dutch and if the interview could be recorded. Recording of the interview was critical for the purpose of analysis. As these recorded interviews have been transcribed on the basis of the audio recordings. The transcriptions are necessary in order to subsequently analyse and code the transcribed interviews. Also, the transcripts are sent to the supervisor for a factual check, to ensure the validity of this research.

3.3 Sample

The amount of health care related companies that make use of platform workers are relatively limited, therefore there are also limited number of available line managers that work in health care related companies that make use of platform workers. Besides that, only line managers who work in the health sector and health sector related organizations are used in this research. This choice is been made to ensure a thorough analysis on the possible implications of online labour platforms on the role of line managers in managing human capital in the health sector. This also aids the decision for qualitative data collection over quantitative data collections, because it was too difficult to obtain information from large quantities of respondents.

Sampling for the primary data collection of this research is done using a combination of the snowball sampling method, purposive sampling method, and theoretical sampling. The snowball sampling method is defined as the attaining informants with the help of contact details that have been contributed by other informants (Noy, 2008). Purposive sampling method is defined as a method in which one needs to use their own judgement to select cases that help to answer the research questions, and to help meet objectives of the research (Saunders, Lewis, & Thornhill, 2016). Theoretical sampling can be defined as the process of data collection for theory generation, whereby the analyst jointly collects codes and analyses his data and decides what data to collect next and where to find them in order to develop his theory as it emerges (Glaser & Strauss, 2012). The snowball sampling method is used in this research, because healthcare related online labour platforms are contacted and asked if they could contribute to this research by giving information about who their clients are. This information enabled to seek contact with organizations who make use of platform workers. Also, the purposive sampling method is used in this research, because the interviewees are selected based on the characteristics of the human capital they manage and if they could help to meet the objectives of this research. Lastly, the theoretical sampling is used in this research, because the interviewees are selected on basis of the human capital they manage. The managers must manage internal human capital and external human capital, and this human capital must be obtained via online labour platforms. Theoretical sampling is different from purposive sampling, because it is used in order to detect and explain interrelationships between categories.

The respondents of this research need to have some specific characteristics. Firstly, they need to be (former) line managers that have to manage human capital or other directly related personal that deals with managing human capital. This means that they have to be involved in obtaining and managing human capital, both internal human capital and external human capital. Secondly, they need to manage human capital that is obtained via an online labour platform. It is important that they manage at least one employee that is obtained via an online labour platform. Lastly, they have to work in a health care or healthcare related organization, and they have to manage health care related human capital. So, they have to manage human capital that perform a healthcare function (e.g. nurse), and not a function that is indirect related to a health care organization (e.g. cleaner).

3.4 Operationalization

To be able to investigate the possible implications of online labour platforms for the role of line managers, semi-structured interviews are conducted. It is of importance that these interviews are prepared properly, because this is the only data collection method that is used in this research. Therefore, it is necessary that the three main topics that are discussed in the interviews are operationalised. The three main topics are human capital characteristics of the employees, HR architecture, and implications. Before the three main topics are discussed, the team and the composition of the team needs to be delineated. The latter is necessary to gain a better understanding about the context the line managers operate in. Table 1, which is stated after the operationalization of the variables, provides an overview of example interview questions that are used to investigate the variables.

The human capital characteristics of the employee needs to be operationalized, because the value and uniqueness of human capital influences the decision to internalize or externalize employment. Human capital value is the ratio an employee creates value for the benefit of the organization. In order for an employee to be of value, its human capital must contribute to the core competence of an organization. So, human capital that is of high value for an organization, contributes to the core competence of an organizations, whereas human capital that is of low value for an organization either contributes to the core competence or does not contribute to the core competences of the organization. Human capital uniqueness is the degree of which human capital is unique and firm specific. Human capital is unique when not many people have these skills, and therefore these skills are often firm specific. Unique human capital is mostly internally developed, because these skills are often not readily available on the labour market. On the contrary, human capital that is not unique possess generic skills and these skills are often developed through own investment. The goal of knowing the human capital characteristics is to know what kind of human capital the employee has and if it is valuable or unique.

Next, after having delineated the team description and the human capital characteristics, the HR architecture can be determined. The employment mode can be determined whether the human capital is employed internally or externally. If possible, the employment mode can be determined further in the four categories develop, acquire, contract, and alliance. The develop employment mode focuses on mutual investment in the internal development of human capital. The acquire employment mode is human capital that creates value for the organization and is therefore acquired internally. Despite that this type of human capital is obtained internally, the focus of this human capital is not on development. The contract employment mode is an external employment mode about human capital that performs tasks that are not of high value to the organization and not unique or firm specific. The alliance employment mode is also an external employment mode, and this employment mode is often associated with unique human capital that has insufficient strategic value to employ internally. This is often a co-production between two parties in which the joint activities do not belong to the core competences of the organization (e.g. accounting firms, investment bankers, R&D labs, legal consultancy).

Furthermore, the employment relationship is also important to investigate. However, investigating the employment relationship is difficult, because the individuals' perception plays a role in the relationship between the line manager and the employee. The four investigated employment relationship categories are organizational relationship, symbiotic relationship, transactional relationship, and partnership relationship. The organization focused relationship is an open-ended exchange relationship between employers and employees. This type of relationship encounters significant mutual investments, and the key facets of this relationship are long-term involvement and investment. Organizations allow employees greater participation in decision making, which results in a higher level of commitment. The symbiotic focused relationship is a relationship that is based on the premises of mutual benefit. This type of

relationship is less focused on commitment and more focused on the employees' career. Therefore, this type of human capital is often trained in a particular profession, which are easy to sell to other organizations, and they do not seek lifelong employment. The transactional relationship is a relationship in which individuals have specific performance requirements and limited organizational involvement. This type of relationship is called transactional, because it focuses on short-term economic exchange, which means that organizations get work done and individuals get paid according to the contract. Thus, the transactional relationship is getting work done, without focusing on organizational commitment and development. The partnership relationship is a collaborative relationship between two parties, which can be based on mutual investment to minimize the risk of transferring their idiosyncratic knowledge. This type of relationship needs trust and information sharing and is based on collaboration and engendering reciprocity.

Moreover, next to the employment mode and the employment relationship, the HR configurations play an important role in managing human capital. The HR configurations play a supportive role in managing human capital, and therefore it is important to delineate the present HR configurations in an organization. The HR configurations that are used in this research are 'commitment based', 'market based', 'compliance based', and 'collaborative based'. Commitment based HR configurations support or create an organization focused employment relationship, that maximizes the investments of organizations in human capital (Lepak & Snell, 1999). So, this type of HR configuration focuses on training and development of human capital and this can be supported through i.e. skill-based pay, mentoring programs, career development, and developmental performance appraisal systems. Market based HR configurations focus on staffing and deploying skills for immediate contribution (Lepak & Snell, 1999). Thus, this type of HR configuration focuses on immediate productivity (buying skills) instead of training and developing skills (making skills). Therefore, human capital has often the necessary skills before they get employed, which can be tested through achievement tests, and is typically for organizations that pursue a low-cost production strategy. Compliance based HR configurations are almost similar as the productivity-based HR configurations, but the expectations and level of contribution is lower for the compliance-based HR configurations and there is less focus on recruitment and selection (Lepak & Snell, 1999). So, the HR configurations are focused on compliance to the term of conditions in the contract and not to other responsibilities. Therefore, organizations can enforce rules and regulations, use and regulate work protocols, and ensuring conformance standards. Collaborative based HR configurations tend to invest in the relationship between two parties and its effective functioning (Lepak & Snell, 1999). Thus, this type of HR configurations focuses on facilitating the collaboration between the two parties, and therefore investing in information sharing and the transfer of knowledge necessary. This could be training in process facilitation and team building, communication, exchange programs, mentoring relationships, and job rotations.

As mentioned in '2.3.2. Consequences of online labour platforms on the role of line managers', there are multiple possible implications for line managers in manging human capital due to the emergence of online labour platforms. There could be possible implications in three areas of managing human capital, namely the employment mode, employment relationship and the HR configurations. These three areas are investigated in order to discover these possible implications. Therefore, it is important that these implications are the result of the emergence of platforms, and not due to any other phenomenon. Nevertheless, there could be more implications due to the emergence of platforms next to the aforementioned three possible implications. Also, possible implications could be beneficial or unfavourable for managers in managing human capital. This research also investigates the reason why it is beneficial or unfavourable.

Table 1: Operationalization example questions

Topic	Variable	Questions
Human capital Characteristics	Value of human capital	What kind of tasks do freelancers have in a team?
		Which differences are there between internal and external employees in creating added value?
	Uniqueness of human capital	To what extent do freelancers have certain skills that are not present in the organization?
		How is the availability of the skills that freelancers need to perform on the labour market?
HR Architecture	Employment mode	To what extent are there differences in the development opportunities amongst internal employees?
		Which differences are there in the development opportunities between internal employees and freelancers
	Employment relationship	Which differences do you recognize in the employment relationship with internal employees and freelancers?
		To what extent would you describe your relationship with internal employees as based on mutual investments? Counts the same for freelancers?
	HR Configurations	How would you describe the feedback the employees in your team receive from you? In what way does the feedback differ between internal employees and freelancers?
		How would you describe the performance appraisal of your team members?
Implications	Line managers	What kind of difficulties do you recognize in finding the right balance between internal employees and external employees?
		What kind of consequences do you recognize in managing human capital due to working with internal employees and external employees?

All the variables are investigated and analysed in this research to get a holistic view of the situation. Questions about the current situation of managing human capital are asked, about the team description, the HR architecture, and also about the consequences of the emergence of platforms. Conclusions on the implications of online labour platforms with regards to the role of line managers in managing human capital are inferred from the data. Also, when the implications are clear, recommendations can be given on how line managers should manage their human capital. The coding schedule, which maintains detailed results of the coded interviews, is attached in Appendix 2. The interviewees are anonymized, so no names of the interviewees and organizations are mentioned in the results. This also ensures that the information in the results is not directly traceable to the interviewees and to the organizations the interviewees work for. Thus, in this manner is made clear how certain conclusions are made, without neglecting the validity and reliability of this research.

As the research conducted is qualitative, it is of importance that the trustworthiness of this research is guaranteed. Trustworthiness, also called rigour, is defined as the degree of confidence in data, interpretation and methods used to ensure the quality of a study (Connely, 2016). Quantitative studies use the concepts validity and relatability, but quantitative use the concept trustworthiness, which is more obscure and put in different terms. Trustworthiness is about establishing the four criteria credibility, dependability, confirmability, and transferability (Connely, 2016). In order to ensure trustworthiness of a study, it is not necessary that all four criteria are used. Credibility is the most important criteria and is about the truth of the study and its findings. The techniques that can be used to establish credibility are prolonged engagement with participants, peer-debriefing, member-checking, and reflective journaling. Also, evidence from the iterative data gathering processes must be presented and returning to examine it multiple times. This research makes use of the technique member-checking and therefore, all the interviews are recorded, transcribed, and reviewed by the interviewees. This is to ensure whether the perspectives of the interviewees are adequately represented and that the results and conclusions are credible. Furthermore, the coding schedule with the results of the interviews is included in Appendix 2. and quotes of the interviews are used as evidence in the results section. Since most of the interviews are conducted in Dutch, an overview of the translated quotes is included in Appendix 3. This overview of the translated quotes ensures transparency on how the quotes are translated and contributes to the credibility of this research. Peer debriefing is another technique that is used to ensure the credibility. Therefore, a peer is asked to assess and give feedback on the methods, conclusions and biases of this study. Dependability of data can be defined as the stability of the data over time and over the conditions of the study (Connely, 2016). Dependability is almost similar as reliability that is used in quantitative research, but it differs because the understanding stability of conditions depends on the nature of the study. This means that experiences of a phenomenon may be similar from time to time, but the conditions can change. In order to ensure dependability, procedures like maintenance of an audit trail of process logs and peer-debriefings with a colleague can be done. This research uses process logs, which are notes from the research and of the activities during the study, and decisions of who to interview. Also, the supervisor reviews and examines the research process of data analysis, to ensure that the data is consistent and could be repeated by other researchers. Confirmability can be defined as the neutrality or the degree findings are consistent and could be repeated (Connely, 2016). Methods that can be used to ensure conformability are methodological memos of logs. This can also be discussed in peer-debriefing with other researchers, so biases can be prevented from one person's perspective. To ensure the conformability, the interview schedule is discussed with the supervisor of this research prior to the interviews. Also, an independent researcher is asked to assess the coding schedule and system. Transferability can be defined as the extent to which findings are useful to persons in other settings (Connely, 2016). This differs from other types of research, because researchers determine if the research is applicable to their situation. Methods that can be used in order to support the transferability of a study are to describe the context, location, study population, and being transparent about trustworthiness and the analysis. So, to ensure the transferability of this research, a description of the context of the company they work for and study population is given in 4.1 Research population characteristics. Also, this research tries to be as transparent as possible about the data analysis and trustworthiness.

3.5 Data analysis

The interviews are analysed whilst making use of the method that is described in the paper of Burnard (1991). This method is a mixture of theoretical coding and open coding and roughly consists of six steps. First, the recorded interviews are transcribed in full in Word 2016. Second, the data is organized, which means that the information units are organized, matched, and arranged by numbering them. Third, the relevance of the data is determined. This means that after arranging the data, the data is checked on relevance for this research. The relevant information is saved and the irrelevant is marked as irrelevant.

Fourth, the open coding consists of two steps and is intended to reduce the amount of data. The first step is labelling fragments, in which fragments from the interviews are labelled with one or more labels. It is important to keep as close as possible to the original text, in order to avoid interpretation mistakes. The second step is the merge of synonym labels (e.g. fault & mistake). Fifth, axial coding consists of categorizing labels of the open coding. Last, selective coding is the process of achieving a higher abstraction level from the axial coding. This last step is focussed on answering the research question, which means that central topics must be in line with the purpose of this research and thus help answering the research question. The coding process is done in Microsoft Word 2016. The results of the in-dept interviews are presented in coding schedule, which is attached in Appendix 2. This coding schedule consists of the selective codes, axial codes, and open codes. In addition, quotes from the interviews are used to support the results of the interviews. With all the results of the interviews, a well-founded conclusion can be drawn. Thus, the data analysis helps to draw conclusions and contributes in answering the research question about the implications of online labour platforms for the role of line managers in managing human capital.

4. Results

4.1 Research population characteristics

During this research, 11 (former) line managers from different healthcare or healthcare related organisations have been interviewed. Table 2 gives an overview of the general features of the interviewees, including their gender, age, and in which kind of field they work in the healthcare sector. The line managers that have been interviewed are active in the fields of pharmacy, hospital, homecare, healthcare services, and health insurance. They all have a managing function within the organization, or have had a managing function within the organization recently. The latter means that they currently have another function (e.g. director) or have recently switched jobs. It is important that the job switch has been recently done, because of the actuality of the qualitative data. In the results, abbreviations are provided in addition to the quotes, to indicate in what area of the healthcare sector the person is active. These abbreviations are mentioned behind the sector name in Table 2.

To give an overview at what kind of companies the interviewees are employed, a short description of the field they are active in will be given without mentioning the organization's name. The pharmaceutical company is a global company that focuses on innovative patented medicines as well as generic medicines. These medicines are mostly oncology and haematology related. The interviewees that are employed within hospitals, are working in different types of hospitals. The first interviewee employed within a hospital, works for epilepsy and sleep medicine. The other two interviewees both work for different generic hospitals. The interviewees that are employed within homecare organisations work in two different homecare organizations. Two of them work for a large homecare organization that offers mostly homecare, and this consists of both intramural care and extramural care. The other interviewee works for a small homecare organization that offers support and is specialised on outpatient counselling especially for dementia and mental health complaints. The healthcare service organization offers healthcare and services to people with a mental disorder. They offer guidance, support, and treatment to all kinds of patients (e.g. multiple handicapped, intellectually limited, mentally limited) in protected and partly private areas. Lastly, the health insurance company is a Dutch company and one of the biggest health insurance providers in the Netherlands.

Table 2: General features

Category		Semi-structured interviews (N=11)
Gender (N/%)	Male	63,6%
	Female	36,4%
Age avg. (SD)		52,4 (6,9)
Sector (N)	Pharmacy (PH)	3
	Hospital (H)	3
	Homecare (HC)	3
	Healthcare services (HS)	1
	Health insurance (HI)	1

4.2 Findings

As mentioned earlier, the findings that are denoted in this chapter are based on data that is collected by conducting 11 semi-structured interviews with (former) managers/directors, and supervisors that work in the healthcare sector and healthcare sector related organizations. Three main topics have been discussed

in the interviews and these topics are based on the literature that is discussed in chapter 2. These three main topics are human capital characteristics of the employees, HR architecture, and the implications for managing human capital. Based on these three main topics, the results focus on the implications for line managers on managing human capital which arose from the interview. The implications are derived from the HR-architecture and substantiated with data from the interviews. Also, as mentioned in the methodology section, the coding schedule with the results of the coded semi-structured interviews is included in Appendix 2.

4.2.1 Implications employment mode

The employment mode of employees can be distinguished into internal employment and external employment. The internal employment mode consists of the internal development employment mode and the internal acquire employment mode. While the external employment mode consists of external contract employment and external alliance employment (Lepak & Snell, 1999).

When analysing the interviews that were held with the managers, it became evident that there are several implications for the role of line managers with regards to the employment mode of the employees. To begin with, the employment mode is not always determined by the line manager, because freelancers make/made the conscious decision to be externally employed. This is the case for freelancers who display high uniqueness of human capital and high value of human capital, but also for freelancers with low uniqueness of human capital and high value of human capital. From the interviews it became evident that the two main reasons why freelancers want to be employed externally are the compensation and the freedom. For example, a pharmaceutical manager explained that it is his own choice to be externally employed. He also recognizes that his initial compensation is higher, and he appreciates his freedom, *'I just go on vacation in the summer for five weeks." (PH)*. A homecare manager identified a similar example, *"They choose for this existence because of freedom." (HC)*. A consequence of this desire of freedom is *"They make use of their freedom by sometimes working one week for eight consecutive nights and then, for example, not working for another month. (HC)*. So, line managers need to take into account that they do not always determine the employment mode. This also implicates that, in managing employees, it is useful for line managers to be aware of the underlying reasons of an employees' employment mode.

Furthermore, the perception of the right balance in the employment mode differs throughout the entire healthcare sector. Within homecare departments, most employees are internally employed and therefore there are not many difficulties notified. Homecare organizations tend to employ all employees internally, and this is mainly because external employees are more expensive than internal employees. Especially human capital that has low uniqueness but has high value for the organization (e.g. general nurse). However, when homecare organizations make use of external employees, this has an effect on the team and the team composition. A consequence that is experienced by a homecare line manager when there are 'too many' external employees is, *"Then is your group formation gone, because you get a split in the team. (HC)"*. The line manager indicates that this has to be managed carefully because this negatively affects the team, *"And consequently, our own employees have to work even harder and they get out of circulation, and they get sick and then the rest has to work even harder. (HC)"*. Next to that, internal employees are seen as guards of the organization' culture. This means that organizations find it important that employees transmit the core values of the organization to their clients. They see that internal employees are passionate and feel more responsible in carrying out their job in comparison to external employees, and they execute their tasks with the organization's core values in mind. The latter is not the case, or to a lesser extent, with external employees, with a few exceptions. The same situations exists in hospitals, *"Your regular people are your people who have chosen for the organization and who are driven and who feel responsible. (H)"*. So, internal employees and external employees that both belong to quadrant 2 based on their human capital, have a higher level of value since they contribute more and

better to the core competences of the organization. Also, when there are too many external employees in a team, this negatively affects the balance of internal and external employees in a team. Consequently, the organizations' culture, which the organization wants to transmit to their clients, and which creates added value is in jeopardy.

However, having too many external employees within a team can not always be prevented. One of the main reasons for this is that some healthcare organizations are obligated to provide healthcare. A healthcare service line manager notifies that more people start as freelancers, *"So the people that we would really like to have as internal employees also present themselves as freelancers. (HS)"*. This also has consequences for the team balance, because the internal team structure is either lost, or present to a lesser extent, when there are too many external employees within a team. What stood out during the interviews was which human capital that belongs to quadrant 1, which is typical within pharmaceutical organizations and health insurance organizations, operate in smaller teams more often. Therefore, the impact of external employees is obviously bigger in smaller teams than in larger teams. When multiple external employees are acquired in a relatively small team, *"Then that certainly has an impact on the collaboration. (HI)*. This impact is especially on *"The atmosphere and the chemistry that is present. (HI)"*. The impact differs per person, but the impact increases when there are more external employees employed. Therefore, coordination and communication are of great importance for external employees as well as for internal employees. Herein lies an important task for the manager, because a right balance in employment can only be maintained when the coordination and communication between the two types of employees works perfectly. External employees often *"Someone that briefly jumps on a moving train" (PH)*, so line managers need to ensure that external employees can function within a team as quickly as possible, without harming the work of internal employees and the overhead activities of the organization. Thus, line managers have to constantly take into account the balance of internal employees and external employees within a team, and how they need to manage this. Therefore, managers need to closely manage the tasks of both types of employees, including the overhead activities, and the norms and values which the organization wants to transmit. Another danger lies within employing employees who are originally internal, according to the taxonomy of Lepak and Snell (1999) but present themselves as external employees. They are perceived as internal employees and get consequently similar tasks and responsibilities as internal employees, but they leave the organization more easily and can therefore easily disrupt the team balance and tasks that need to be executed.

Line managers can acquire human capital internally and externally, and there are two types of external employment modes. The two types of external employment modes are the alliance employment mode and the contracting employment mode, and according to Lepak and Snell (1999) these two types are differentiated by the level of uniqueness of human capital. It became evident from the interviews that human capital of external employees that is acquired via online labour platforms and/or other intermediaries do not have low value and low uniqueness of human capital. They often count as a substitute for the internal employees in case of absence due to, for example, illness or pregnancy. This is also notified within the pharmaceutical industry, where external employees are often acquired based on their human capital. A pharmaceutical manager says, *"I hire a freelancer for a specific assignment with certain specific knowledge and skills" (PH)*. This indicates that managers actually acquire different types of human capital via online labour platforms and other intermediaries, and not only human capital that has low uniqueness and low value of human capital for the organization. Correspondingly, line managers use online labour platforms and other intermediaries to their own advantage. A consequence of the emergence of platforms is that line managers have more selection options in acquiring external human capital, and they can be therefore more specific in what kind of external employee they need. A hospital manager claims that the skills and abilities of the external employees are not always better, but they can

be of added value. He claims that combining the skills and abilities of the internal employee with the skills and abilities of the external employee results in the following: *"If you connect them, they suddenly start to walk, and one and one is three. (H)*. Another example of this is given by the health insurance manager, *"In terms of skills, I think you can say that external employees are generally more communicative and move a little easier in an environment that is unknown." (HI)*. The internal employees are generally a bit more introverted, and in their job function, it is important that they communicate problems and difficulties with colleagues in different departments. The health insurance manager uses the human capital of the external employee to improve the human capital of his own team, *"That encourages my team to think differently or to plan other actions." (HI)*. So, this means that organizations can use external employees to aid in improving the performance of employees that are internally employed and employees that are externally employed.

Also, according to the interviews, external employees that are acquired via intermediaries always have a contractual employment mode with the organization. Organizations acquire most of their external employees via intermediaries and temp agencies. However, human capital that has a high level of uniqueness is often directly approached by organizations, without interference of an intermediary. For example, the pharmaceutical managers claimed during the interviews that the majority of external employees is acquired via personal networks of employees, since they operate in a niche market with limited employees that have the required knowledge. So, line managers acquire external employees with different types of human capital, instead of solely human capital that have low uniqueness of human capital and low value of human capital, as claimed by Lepak and Snell (1999). Also, organizations use external employees to improve the human capital of employees in their team, of both internal employees and external employees. Organizations often acquire external human capital with the help of intermediaries, but especially human capital that has a high level of uniqueness is frequently acquired directly by the organization. Thus, the external employment mode is not as straightforward as claimed by Lepak and Snell (1999) and line managers therefore need to manage the external employee based on its human capital and not only on its employment mode.

Remarkably, an alliance employment mode between external employees and organizations did not become evident from the interviews. The only alliances that were notified within the homecare sector are alliances with organizations that carry out a specific type of care, for example "*Outsource care to, for example, Betsies steunkousen. (HC)*. This alliance was not between external employees and the organization, but between external parties with employees and the organization. Nevertheless, this is only observed in work that requires low uniqueness of human capital. Despite the fact that the interviews did not show a direct alliance employment mode between external employees and organizations, features of an alliance employment mode are seen among external employees. For instance, the health insurance manager and the pharmaceutical managers acquire external employees based on their human capital. These external employees have human capital that is less codified and transferable than generic skills, yet more widely available than firm-specific skills. Therefore, line managers face a paradox where they are simultaneously encouraged to use both types of employment modes. What managers consequently do is, hiring external employees with a contract for a certain period (e.g. one-year contract), and this contract is extended when both parties want to continue the collaboration. This is acknowledged by a pharmaceutical manager when he was asked about the duration of contract of employees, *"There is only one point and that is that the self-employed employee has a one-year contract with us. If you do it right, it will be extended. (PH)"*. He also recognized the extension of the contracts of external employees, since he is an external employee himself, "*Yes, I believe I have had a one-year contract for four years now. (PH)*". So, in this research, organizations did not engage in a direct alliance employment mode with external employees that work in their team, but they did engage in a hybrid employment mode that has both features of an alliance employment mode and of a contracting employment mode. Thus, this implies that line managers

need to blend their management practices for external employees, because the features of the employment mode differ for external employees.

4.2.2 Implications employment relationship

External employees have different types of employment relationships with organizations. As aforementioned, an alliance employment mode between external employees and organizations did not become evident from the interviews. Therefore, it would be logical that there is not a partnership employment relationship as well. However, the interviews show that a transactional employment relationship between the freelancer and the organization can evolve in a partnership employment relationship or a symbiotic employment relationship. Freelancers have a contractual employment mode, which implies that they have a contract for a certain period. Still, the contract of some external employees is extended multiple times**.** One of the main reasons for this is because some external employees are of value to the organization, and the organization actually wants to employ the external employee internally, but the external employee does not want to be employed internally. Hence, their contractual agreement is extended multiple times and the short-term relationship changes in a long-term relationship and therefore the employment relationship shows more features of a symbiotic employment relationship than a transactional employment relationship. A pharmaceutical manager recognized this as well and said, *"We will treat them the same as a permanent employee". (PH).* So, the employment relationship of external employees and the organization may change over time and this could differ per employee. Consequently, line managers cannot manage all external employees in the same manners, because the employment relationship differs per external employee.

Furthermore, external employees can have a transactional employment relationship, which is rather similar to the symbiotic relationship of internal employees. The main difference between these two types of employment relationships is that a symbiotic relationship is based on commitment and loyalty towards the organization, and a transactional relationship is not. It became apparent from the interviews that almost every organization has a transactional relationship with their external employees, but in the data collected, a deviation was noticed with regards to the pharmaceutical sector. Line managers do not differentiate in their relationship between internal employees and external employees, "I deal exactly the same with them. (PH)". The most important underlying reason for this is possible future employment, "A freelancer can always become an internal employee. (PH)". This characterizes the pharmaceutical sector, because the pharmaceutical sector is a niche market, as is its human capital. Therefore, the employment relationship is more symbiotic than transactional, or organization focused, because it is focused on short-term economic exchanges, but organizations try to obtain organizational commitment. Also, employees within the pharmaceutical sector always have high value of human capital and mostly high uniqueness of human capital. Based on their human capital, external employees require an organization focused employment relationship. However, external employees do not have a long-term involvement and investment relationship with the organization, since they have a contract for a certain period (e.g. one year). Also, internal employees are made account responsible, which implies greater participation in decision making, which fosters a higher level of ongoing commitment. This is an important difference in the employment relationship between internal employees and external employees, because *"A self-employed person, so to speak, I am hiring for a specific assignment with certain special specific knowledge and skills. (PH)".* Thus, the employment relationship of external employees is not limited to a transactional employment relationship, but also shows features of an organization focused employment relationship as well as a symbiotic employment relationship. Consequently, line managers have different relationships with external employees, and they need to manage their employees based on their specific relationship.

Moreover, line managers notice difficulties in the employment relationship with external employees. A homecare line manager recognizes difficulties in the employment relationship between external employees and in managing it. For example, in the relationship with the client and the contractor, *"A self-employed person sees me as a client and so the employment relationship differs, and it seems as if a self-employed person feels more equal.* (HC)". He notifies differences on the premises of respect and behaviour between external employees and internal employees. Also, the line manager notices that, since external employees have a lot of assignments and have a lot of organizations to work for, they think that they can position themselves next to the line manager. This negatively affects the employment relationship between the external employee and the line manager. A homecare line manager acknowledges this, *"I think it is a very negative development, if you do not care about your supervisor."* (HC), *"Yes, I find it negative. That is not how we want work to be done."* (HC). Line managers have an important task in managing this, because due to the emergence of online labour platforms, freelancers can find work more easily, which strengthens their position. Another difficulty in the employment relationship occurs when external employees feel/believe that they know everything. This causes friction between internal employees, including line managers, and external employees. An example of this was given during an interview, external employees act like *"Saying I know how to do that, you do not have to tell me anything."* (HS). So, some external employees behave independent and omniscient and this is not always desirable for line managers. Therefore, line managers need to manage this closely, in order to maintain a good employment relationship.

4.2.3. Implications HR-architecture

The HR configurations that support managing human capital displays different HR practices for every type of human capital. It is hard for managers to make a taxonomy between employees and how to manage these employees, especially when they operate within the same team.

External employees with high uniqueness and high value of human capital have an external (contracting) employment mode, but according to Lepak and Snell (1999) this type of human capital is originally employed internally. *"They are just hired for a job, if a job is over then it is yes, see if it still fits and otherwise it is just goodbye." (PH)*. So, this type of employee has human capital that is unique and valuable to the organizations, but they are externally employed. Furthermore, as aforementioned, during the interviews it became evident that within the pharmaceutical sector, line managers hardly differentiate in their employment relationship between internal employees and external employees. The interviews show that the relationship with external employees is not organization focused, but symbiotic. For example, a pharmaceutical manager noticed that he already has his fourth one-year contract. This implies that the relationship is still mutual beneficial, because both the employee and the organizations continue the relationship. Thus, this type of employee is externally employed, but has a typical internal employment relationship. Still, when this type of human capital is acquired externally, the compliance-based HR configuration is still applicable. Line managers do not engage in development activities for freelancers, *"With my internal people, I clearly invest in development and do not invest in freelancers." (PH)*. This is typical for compliance-based HR configurations. Another example that became evident from the interviews, is *"The assignment that the freelancer has, or that pnil'er, has a head and a tail and is therefore clearer." (H)*. So, their tasks are more defined than the tasks of an internal employee, and therefore more focused on the terms and conditions of the contract. They do not, or to a lesser extent, take the organizational perspective into account in comparison to internal employees. A hospital manager mentioned that internal and external employees can have similar skills and abilities, because they have had similar education, but in practice it is seen that external employees display a different kind of responsibility in comparison to internal employees. This means that when managing these employees, HR activities that focus on securing the terms and conditions of the contract should be sufficient. So, this type

of employee is managed with compliance-based HR configurations, which is in line with their external employment mode. To summarize, human capital that has high uniqueness and high value are externally employed, while they need to be internally employed according to their human capital, they have an internal employment relationship while they are externally employed, and they are managed with compliance-based HR configurations which is in line with their external employment mode. Thus, line managers need to use eclectic HR practices to manage these external employees. This means that they need to use different components of every part of the HR architecture of Lepak and Snell (1999) to manage this type of employee.

Additionally, employees that have low uniqueness and high value of human capital are originally internal employees with an acquisition employment mode (Lepak & Snell, 1999). However, the interviews have shown that organizations acquire external employees based on their human capital. Also, external employees are employed as a substitute for internal employees in the event of a pregnancy or illness, and for peak production. A home care line manager confirms the aforementioned reasoning whilst answering a question about why the organizations employ freelancers, *"Availability at a given time, and it is about skills or it is simply within regular teams, due to a peak that you have to absorb." (HC).* Therefore, a greater emphasis is placed on recruitment and selection of human capital, because the human capital of external employees needs to be good enough to replace an internal employee or carry out the same tasks as an internal employee. A hospital line manager notifies differences in the selection procedure of internal and external employees. Internal employees have a regular selection procedure, but in the selection procedure of external employees is usually only looked at if their human capital is sufficient enough to execute the job. *"Then it is actually more looking at, is someone able to execute the tasks and responsibilities and competences, there is a match" (H).* Generally, external employees that are acquired for the aforementioned reasons have high value for the organization and therefore tend to have an internal employment mode according to Lepak and Snell (1999). Despite that this type of employees tend to have an internal employment mode based on their human capital, their services are focused on short-term economic exchanges. A typical example of employees that belong into this category are nurses, since they contribute to the core business of the organization but do not have firm specific skills. Furthermore, line managers use compliance-based HR Configurations for managing this type of employee. For example, the performance appraisal of this type of external employee is job based. A hospital line manager confirms this whilst she was asked about differences in performance appraisal between internal employees and external employees, *"The external is then really assessed on patient care." (H)*. Thus, human capital that has low uniqueness and high value are externally employed, while they need to be internally employed according to their human capital, they have an external employment relationship, and they are managed with compliance-based HR configurations. Consequently, in managing this type of employee, line managers need to use a hybrid managing approach. This means that they need to use HR practices that focus on acquired human capital with a transactional employment relationship and compliance-based HR configurations to manage this type of employee.

Another HRM activity where consequences of online labour platforms are observed for the role of the line manager is job design. Some external employees cause frictions within teams, and especially within homecare teams and hospitals teams frictions occurred within care teams that have both internal and external employees. The most common reason for friction is when external employees determine their own work schedule instead of the line manager. Often, external employees do not want to work night shifts, irregular shifts or during holidays, which consequently means that internal employees always have to work these shifts. Despite the fact that the internal employees are often glad that they receive help from external employees during their shifts, they still feel a bit of unfairness. A hospital manager confirms this, *"At a certain moment it gives a bit of an unfair feeling. (H)*. Also, managers recognize this unfairness

but more on a financial level because, *"It sometimes just feels unreasonable because you just have to pay much more than someone else who actually does his job more and better." (H)*. Next to that, a homecare manager identifies difficulties in managing freelancers that determine their own shifts. To ensure compliance of external employees, line managers want to focus on enforcing rules and regulation and setting standards. However, freelancers perceive their position as a dominant one, because the demand for their human capital is high in organizations. Subsequently, managers acknowledge this as well, *"You just need those freelancers, self-employed, on-call or hired-in staff." (HC)*. Next to that, a homecare manager experienced the perception of a dominant position of external employees, *"No, a freelancer thinks that all of this does not apply to him or her."* (HC). Also, internal employees perceive a higher workload when external employees only work day shifts, *"The workload becomes higher for the other". (H)*. This also results in friction between internal employees and external employees. Another reason why the workload becomes higher for internal employees is because external employees are less bothered with overhead activities. Internal employees are more involved and perceive that they bear more responsibility in comparison to external employees, since they also have overhead activities like management tasks and quality appraisals. Obviously, external employees do not know the care demand and how it works within the organization as well as internal employees, because they are often employed for a short time. Therefore, internal employees also perceive a higher workload when they work with external employees. All in all, there are a lot of consequences concerning the HRM activity job design. Line managers face many challenges in managing both external employees as well as internal employees. These challenges can differ per employee and in every team and can change over time. Thus, line managers have to be constantly aware of the situation to be able to manage all of these challenges adequately.

Organizations increasingly work with external employees (e.g. freelancers and self-employed employees). Therefore, hiring external employees is seen as more common than before. When focussing on the selection procedure of internal employees and external employees it became clear that there are some frictions. At first, the selection procedure of external employees is often less complicated than the selection procedure of internal employees. Obviously, *"if you hire an internal employee, you pay even more attention to whether they fit in the team" (HC)*, and *"With the internal staff you focus on who fits the best in my team." (PH).* This applies to the entire healthcare sector. Another reason why the selection procedure of external employees is less complicated is because, *"With the external employee, you focus on if it matches with the job. (HC)".* One of the reasons why the selection procedure of external employees is easier is because it is sometimes difficult for managers to find an external employee on the short-term, *"I was already happy that someone came" (HC)*. Consequently, the skills and education of external employees that are deployed are not always checked properly. A homecare manager stated that when she hired employees from intermediaries, she could not blindly trust that the competences of the external employee were as good as promised by the intermediary. Therefore, the skills and abilities of external employees are sometimes worse than expected, especially when external employees are acquired via online labour platforms. A pharmaceutical manager experienced this, and he noticed that freelancers register by an online labour platform, but many of these freelancers are 'sleeping member'. They have registered themselves a while ago, but they are no longer available, or their information is not up to date any longer. Nevertheless, line managers prefer working with intermediaries like temp agencies and recruiters, over online labour platforms. A couple of reasons why managers prefer to work with temp agencies and recruiters are, *"Recruiters can sometimes be a bit more precise in the selection. (H*)", personal contact with intermediaries, and the fact that intermediaries often check if the competences and diplomas are valid. So, when human capital is acquired via an intermediary, is this positively related to the quality of acquired human capital of organizations. Another reason that was mentioned by a hospital manager was that she thinks she receives better staff through intermediaries with a higher probability of internal employment, *"I am looking for permanent people who choose for my organization." (H)*. So, the selection

procedure of external employees is less complicated than the selection procedure of internal employees. Line managers focus less on how well the external employee fits within the team but focus on how their competences fit with their job. Still, line managers prefer to use intermediaries for selecting human capital, but it is of importance that the information about the external employee is up to date and valid.

The manner in which employees are compensated also causes friction between employees. One of the main incentives for freelancers to become independent is because of the money, *"There are internal employees who decide to become self-employed because of the large compensation differences." (HS)*. In general, both types of employees, external as well as internal, accept differences in compensation as long as an employee functions properly. Still, it is difficult for internal employees to cope with situations where external employees perform worse, demand better worktimes (e.g. no night shifts), and receive higher monetary compensations. This situation is seen within homecare settings with employees that score low on uniqueness of human capital and high on value of human capital (e.g. nurse). This is similar to the aforementioned implications on job design. Also, a hospital manager recognized a bit of frustration on the financial aspect with external employees, especially on the intensive care. These external employees receive a higher compensation than internal employees, while they are less committed. A pharmaceutical manager noticed that friction between internal employees and external employees, due to differences in compensation, are often based on ignorance. For example, internal employees forget that pension costs etc. are included in their compensation, *"And if you explain that, and then the problem is solved." (PH)*. Furthermore, employees that score high on uniqueness of human capital and high on value of human capital, receive a relatively higher compensation than other types of human capital. Since their human capital is unique and valuable, they have a dominant position on the labour market and can therefore ask for higher compensations. A health insurance manager recognized differences in compensation. They have standardized the compensation rules for external employees within the organization. For example, when an external employee is acquired as a substitute, *"It depends on a certain function scale, and a you can reward a certain percentage above that. (HI)"*. However, this compensation is higher in general due to the scarcity of human capital on the labour market. As a consequence, *"So sometimes you just have to pay more than what is strictly allowed according to (the organization) policy rules." (HI)*. To conclude with, a healthcare service manager recognizes changes in the compensation of employees. *"It is not realistic in my opinion, to think that in the upcoming years we will work without these agencies or without these platforms." (HS)*. The most important reason for this is the flexibilization of the labour market, and also online labour platforms play a role in this. Therefore, the manager thinks that compensation requires more attention during this process, and an indicator for this is: *'Annually, we see our expenditure on external parties only increasing. (HS)*. Thus, also in the HRM activity compensation there are a lot of difficulties depicted that cause friction within teams. External employees receive higher compensation than internal employees, regardless of how they function, and external employees with both high uniqueness and high value of human capital are even better compensated for their human capital. Furthermore, the expenses on external employees increase, which indicates that organizations employ more external employees. Therefore, line managers have to cope with these difficulties in managing employees and need to prepare for the further increase in external employees in the organization.

5. Discussion

The aim of this research was to investigate the implications of online labour platforms for the role of line managers in managing human capital. Here the findings are discussed, as well as the theoretical implications and practical implications of this research. The HR Architecture of Lepak and Snell (1999) is used as theoretical foundation for this research. The implications for line managers in managing human capital as stated in the HR Architecture of Lepak and Snell (1999) are investigated. Hereby is focused on the role of intermediaries, and especially on the role of online labour platforms. The main components of the HR architecture, human capital characterises, the employment modes, the employment relationships, and the HR configurations are investigated and elaborated on in the results section.

When comparing the literature to the results, it became evident that the taxonomy that is depicted in the HR Architecture is more dynamic than proposed by Lepak and Snell (1999). Overall, Lepak and Snell (1999) have divided the employment mode, employment relationship, and the HR configurations into 4 quadrants with different features. Despite that some of these features largely correspond to each other (e.g. transactional employment relationship and symbiotic employment relationship), Lepak and Snell (1999) made clear distinctions between quadrants. According to the results, the distinctions between quadrant are not as clear as claimed by Lepak and Snell (1999). For example, external employees with human capital that has high uniqueness and high value have features that belong to both types of internally employed human capital, while they are employed externally. Another example is human capital that has low uniqueness and high value of human capital. This type of employees displays features that belong to both, internally and externally employed human capital. The reason why the distinction between quadrants is not as clear as proposed, could be because of two the points scale that is used for the classification of human capital. For example, human capital can only be of high value or of low value, but there is no distinction in human capital that is of little high value or really high value. Furthermore, external employees can also evolve in certain features of the HR architecture, which means that a feature of one quadrant might evolve in feature of another quadrant. For example, an alliance employment mode between a freelancer and an organization. The data shows that a transactional employment relationship between the freelancer and the organization can evolve in a partnership employment relationship or a symbiotic employment relationship. This may happen when the contract of an external employee is extended multiple times**.** Lepak and Snell (1999) already discussed the dynamics of the HR architecture, but their understanding appears to be incomplete. They propose a decay of entire quadrants of the HR Architecture. However, this is more a gradual process instead of a decay of whole quadrants. For example, the results show that employees with low uniqueness and high value of human capital only have an employment mode that deviates from the original quadrant, and that not the whole quadrant deviates. This mismatch between employment modes, employment relationships, and HR configurations can be the result of employees who have become self-employed because of the compensation differences. Whilst in all likelihood these employees would otherwise be employed internally. External employees have human capital that the organization prefer to have internal. For the same reason, freelancers see opportunities to become self-employed and receive higher compensations for their labour. Consequently, a mismatch between organizations and freelancers can arise, because they both have different needs. So, since the interests of both parties differ, a continuous field of tension exists between organizations and freelancers. Nevertheless, despite that the interests of both parties differ, there is still a dependency between both one another. The organizations need labour for their processes, and freelancers need work to generate income. All in all, the HR architecture of Lepak and Snell (1999) is more dynamic as proposed, since human capital can have features of various quadrants.

Furthermore, the results show that the employment relationship is also different than proposed by Lepak and Snell (1999) and Gardner (2005). They argue that the employment mode and the employment relationship is determined by the organization. For example, Lepak and Snell (1999) argue that the choice of employment modes depends on both strategic and cost/benefit considerations. So, the organizations determine, based on human capital of the employee, whether an employee receives an internal employment mode, or an external employment mode. Also, Gardner (2005) detected that the likelihood of an internal employment relationship increases when an employee has highly specific skills. So, they approach the employment mode and the employment relationship from an organizational point of view. However, the results show that the employment mode and the employment relationship between line managers and the freelancers is a bilateral relationship. The employment mode and the employment relationship are determined and maintained by both parties and not solely through the organization and the line manager. For example, freelancers determine their own shifts, instead of the organization. Freelancers perceive that they are in a dominant position, because there is a lot of demand for their human capital. So, the organization does not always determine the shifts of their employees, because freelancers can afford to refuse shifts, if they do not want to work. Also, on the premises of respect and behaviour differences can be discerned between the line manager and the freelancer. The freelancers perceive their employment relationship as a client-contractor relationship, instead of an employer – employee relationship. Hence, they feel more equal to the line manager than a regular employee. This employment relationship is not a simple binary relationship. This is a consequence of the continuous field of tension between organizations and freelancers, because they both have different interests, as aforementioned. Thus, organizations do not determine the employment mode and employment relationship by themselves, since there is continuous interaction between line managers and freelancers. External employees co-create their employment relationships since they have an active voice in the determination of their employment mode and employment relationship. This consequently means that the HR architecture, which is based on the resource-based view, transaction cost economics, and human capital theory is not enough to explain the HR architecture. This implies that additional theoretical perspectives are needed to explain how line managers need to manage (external) human capital.

The HR configurations that are proposed by Lepak and Snell (1999) on how they support line managers in managing different types of employees are not sufficient. The theoretical foundation of Lepak and Snell (1999) is based on the transaction cost economics perspective, human capital theory perspective, and the resource-based view perspective. These three perspectives are economic theoretical perspectives, and therefore their article is written from an economic perspective. When looking at the results, it became evident that the sociological perspective is also of importance in managing human capital. This means that managing human capital is not only a economic decision, but a development decision in which employees actively engage in their own employment relationship. For example, internal employees feel unfairly treated when they have to work more irregular shifts, have a higher workload, and receive less compensation than external employees. This cause friction within teams. Line managers indicate that they recognize this as well, because they also see and feel the unfairness of these differences between internal employees and external employees. This could be a result of a shift in focus, because nowadays there is more emphasis on employees and employee empowerment. Nevertheless, this implies that matters such as 'trust' and 'feelings' are not included in the HR architecture of Lepak and Snell (1999). Therefore, the HR architecture of Lepak and Snell (1999) can be seen as insufficient for line managers use in managing human capital. Despite that it was not the intention of Lepak and Snell (1999) to seek an explanation of outcomes such as trust, it can not be ignored that it is of relevance for line managers in managing human capital. Therefore, it is important to understand that matters such as 'trust' and 'feelings' are understood and included, next to the economic perspectives, when HR architectures come about. Thus, HR architectures were both economic and sociologic perspectives are included, will give a better

understanding of employment practices related to internalization and externalization than the HR architecture of Lepak and Snell (1999), where only economic perspectives are included. Consequently, line managers can use such HR architectures to solve frictions within teams, or even prevent frictions, that arise from working with internal and external employees.

Moreover, the understanding of human capital in the HR architecture of Lepak and Snell (1999) and how this human capital is acquired as well as managed also needs to be revised. The taxonomy of the HR architecture is based on the value and uniqueness of human capital. Consequently, the employment mode, employment relationship, and HR configuration an employee gets depends on how its human capital scores on value and uniqueness. As aforementioned, the two-point scale that is used in the HR architecture, where only a distinction is made between high and low, is not sufficient for a proper taxonomy of human capital. Next to that, Gardner (2005) claims with the continuum of generality and firm specificity of skills, that the internalization and externalization of the employment relationship is determined by organizations. However, the results show that the employment relationship does not always relate to the specificity of human capital or the value of human capital. Also, the employment mode has changed and is not solely based on the value and uniqueness of human capital. All types of human capital can have an external employment mode. This could be a consequence of the Dutch government making it easier to become independent due to the reimbursement rules for (starting) self-employed. Therefore, employees become more and more independent and many become self-employed. This has changed the concept of uniqueness of human capital and value of human capital in particular, regarding to the employment mode and employment relationship. Even if an employee has low uniqueness of human capital and low value of human capital, they still opt for self-employment. In general, the main reasons for becoming self-employed is because they receive higher compensations and more freedom. In addition, the government in the Netherlands has made arrangements that many uncertainties, which previously formed a barrier to becoming self-employed, are now (largely) covered. Especially the barrier which is faced in the beginning of self-employment, because you can qualify for reimbursements and schemes that are arranged by government institutions (e.g. UWV). Thus, this implies for the HR-architecture of Lepak and Snell (1999) that value and uniqueness of human capital stays relevant, but that the employment mode and employment relationship is not determined by it.

Consequently, because more people become self-employed, organizations increasingly work with freelancers. Organizations use intermediaries in their acquisition procedure of human capital. Therefore, intermediaries arbitrate between both types of human capital, internal human capital and external human capital. Since more people become self-employed, the focus of intermediaries shifts more to freelancers. The results show that the selection procedure of internal employees is more complicated compared to the selection procedure of external employees. In this selection procedure, line managers prefer to use intermediaries for selecting human capital, despite of the extra costs. The main reasoning behind this is that intermediaries are more precise in their selection, and take care of administrative activities such as checking the external employees' competences and diplomas. This positively affects the quality of the human capital that is acquired. The reason why organizations prefer to use intermediaries for acquiring human capital could be the offered quality and quantity of external employees. In acquiring external human capital, line managers mainly focus on how the competences of external employees fit with the job they are going to execute. The competences and diplomas of employees often equates to the quality of human capital. Organizations work more often with self-employed employees, since more people become self-employed. Consequently, organizations get more (administrative) tasks, due to the additional acquiring and contractual activities concerning external employees. Therefore, it becomes harder for organizations to check the competences and diplomas of the external employees. Especially, because of the high number of external employees, due to the short employment periods and the high turnover rate.

This high turnover rate of external employees is also a consequence of the high demand for human capital and the simplification of the supply. It becomes easier for freelancers to offer their human capital to organizations and intermediaries, because of the online tools such as online labour platforms. Therefore, organizations use intermediaries in their acquisition process, because they have more tools and equipment, such as online labour platforms, to ensure both quality and quantity of external employees. However, the results show that especially human capital that has a high level of uniqueness is frequently acquired directly by the organization. So, despite that it is easier to use an intermediary for acquiring employees, organizations can still use their own network and resources for acquiring external employees.

The HR architecture of Lepak and Snell (1999) can be used as a tool for managing human capital. As aforementioned, the taxonomy in the HR architecture is solely based on economic perspectives and it is more dynamic as proposed. This implies that line managers can not use only the HR architecture of Lepak and Snell (1999) as a tool for managing human capital in their organization. Still, many features of the HR architecture can be used, but line managers need to take into account that they might need to combine features of different quadrants (e.g. use eclectic or hybrid HR practices) or additional perspectives (e.g. sociological perspective). Besides, line managers need to consider their awareness of the employment mode as well as the employment relationship which they maintain with their employees. These features can change over time, and then might need a different management approach from the line manager. For example, when external employees receive multiple contracts, their employment relationship may change from transactional to symbiotic or even organizational. Another example is an (internal) employee who gains high value and high uniqueness of human capital through training and development. Furthermore, organizations can also use the external employees' human capital to the human capital of internal employees. This could also lead to a change in human capital, but this change in human capital is often initiated by the line manager. Thus, line managers can still use the HR architecture of Lepak and Snell (1999) for managing human capital, but they might need to combine features of different quadrants or use additional perspectives, and take into account that features of human capital can change over time. Therefore, line managers might use idiosyncratic deals, which are customized employment arrangements of employees that help meet employee needs and preferences when standard HR practices fall short. This implies that line managers individualize HR-practices. Instead of using HR-practices for managing a type of human capital, line managers specify HR-practices for managing human capital individually. This might be a solution for line managers in managing their human capital adequately, since standard practices may fall short due to changes in human capital and high turnover of external employees' human capital.

Still, line managers play a critical role in the implementation of HR practices and therefore the HR configurations (Bos-Nehles, Riemsdijk, & Looise, 2013). Line managers are responsible for managing internal human capital with HR configurations (Lepak & Snell, 1999). However, the results indicate that line managers are increasingly responsible for managing external human capital as well. For example, line managers are responsible for the compensation practices, recruitment practices, and training practices of external employees. This is most likely the result of the increasing dependency of organizations and freelancers/self-employed. As aforementioned, organizations and freelancers are continuously dependent on each other. On one hand, freelancers have human capital that the organizations needs to get the labour done, and on the other hand, external employees need organizations to be employed so that they are able to generate income. More people become self-employed, and consequently organizations employ more freelancers. This results in a continuous field of tension and therefore needs to manage carefully. Accordingly, line managers have to increasingly manage external human capital. Taking the results of this research into account, line managers could manage external human capital according to their human capital characteristics. During this research, it became evident that the employment mode and employment relationship do not always correspond with the human capital characteristics of external

human capital as proposed by Lepak and Snell (1999). External human can also be of high value and/ or high uniqueness. Therefore, line managers can manage different types of external human capital based on their human capital value and uniqueness, and apply the employment mode, employment relationship, and HR-practices accordingly.

Furthermore, it is important for managers to maintain the balance of internal employees and external employees in teams. More employees become self-employed and consequently, organizations have to employ relatively more freelancers. Among those freelancers there are often some that organizations want to employ internally, because their human capital is of high value and/or high uniqueness to the organization. Consequently, line managers have to constantly take into account the balance of internal employees and external employees in a team, and how they need to manage this. For example, freelancers practically do not have overhead activities. So, line managers have to take into account that when the number of external employees increases, this does not create too much workload for internal employees as well as keeping the quality of the executed overhead activities stable.

Also, some organizations want employees to transmit the organizational culture as well as their norms and values to their clients. When this is the case, line managers also need to guard and manage the/an increase in the number of external employees. Additionally, line managers also need to manage their budget more closely. In general, external employees receive higher compensations than internal employees. This means that organizations have to pay more for the same amount of work, and because the number of external employees increases, the expenditures on external employees increase as well. Therefore, line managers have to cope with the increasing expenses on external employees and need to prepare for any further increase of external employees. Thus, a good team balance is important for maintaining the norms and values of the organization, and to avoid paying too much money on labour costs. Therefore, line managers need to safeguard the balance of internal and external employees in teams to prevent financial and workload issues.

This research shows that the taxonomy of employees' human capital within an organization is more dynamic as proposed by Lepak and Snell (1999). Especially, the employment mode and the employment relationships differ per type human capital. The employment mode, employment relationships and the HR configurations can change over time, because of the employment duration or the type of human capital. For managing employees, organization need a kind of taxonomy for different types of employees, because they can not manage every employee individually. Therefore, it is recommended that future studies take into account that HRM practices apply to multiple types of human capital, because the features of human capital can change over time. Furthermore, the two-point scale that is used in the HR architecture of Lepak and Snell is not sufficient. So, in future research it is proposed to apply a focus on a human capital taxonomy which uses a more dynamic scale of human capital value and uniqueness. This would give a better overview of the types of human capital within organizations and would be therefore useful for managers in managing human capital.

5.1 Limitations

During this research several limitations were encountered. Firstly, due to the fact that hardly any healthcare organization uses online labour platforms, the interviews were held with managers that work for organizations that use intermediaries for acquiring their human capital. A lot of organizations were approached for an interview, but the organizations that used online labour platforms chose not to cooperate. Besides that, online labour platforms were approached directly, but they did not respond or did not want to participate in this research. Still, these interviews focused on organizations that use intermediaries to acquire freelancers, so the contractor – client relationship was still present. This is done, with the assumption that the results are similar to when only online labour platforms were interviewed.

During the interviews it became clear that intermediaries also assist in mediating between temporary workers that have an employer – employee relationship with the organization. This relationship differs from the relationship freelancers have with organizations. Therefore, the information about employees with an employer – employee relationship (e.g. temporary workers) are not included in this research. Second, for this research 11 (former) line managers were interviewed, of which the organizations operate in different healthcare related sectors. They all have a managing function within the organization or have had a managing function within the organization recently. The latter means that they currently have another function (e.g. director) or have recently switched jobs. Consequently, the results in this research give a top – down overview, because only line managers or former line managers have been interviewed. Despite that many line managers have shared experiences from before they became manager, this research does not provide an altruistic representation of the implications of online labour platforms on the role of line managers in managing human capital. Lastly, a lot of line managers that have been interviewed hardly work with external employees. So, their experiences are based on only a few cases. For example, in the hospital, they only work with external employees in the operating room and emergency room. The manager that was interviewed in the hospital works for these departments. However, the results from this hospital manager is not representative for the entire hospital, because a lot of departments do not work with external employees.

6. Conclusion

The goal of this study was to examine the consequences of online labour platforms for the role of line managers in managing human capital. Therefore, the following research question has been formulated: '***Which implications do online labour platforms have for the role of line managers in managing human capital?'***. It can be concluded that online labour platforms have multiple implications for the role of line managers in managing human capital, especially on the HR configuration aspect, acquiring human capital aspect, and workforce composition aspect. First of all, due to the emergence of platforms, line managers practically need to manage their human capital individually. Since all types of human capital can be acquired more easily through selection features of online labour platforms, line managers have to cope with a dynamic composition of different types of human capital. Subsequently, the employment mode, employment relationship, and the HR configurations become more difficult to distinguish and assign to different types of human capital. Therefore, line managers must be constantly aware of the features of the human capital types that they manage, to be able to manage it adequately and optimally. Second, online labour platforms and other intermediaries assist line managers in acquiring higher quality of human capital. Line managers prefer to use intermediaries for selecting human capital, because intermediaries are more precise in their selection, and take care of underlying administrative proceedings (e.g. competences and diploma's). Online labour platforms enable intermediaries to be of added value for organizations, since intermediaries use online labour platforms in their recruitment and selection of human capital. In this study, a few organizations have worked with online labour platforms, but they have had negative experiences during their period of usage. These negative experiences were mainly related to invalid data and missing the personal contact with a 'partner'. Therefore, it can be concluded that organizations will most likely not use independent online labour platforms, unless something changes. Lastly, a shift is taking place in the workforce which has direct consequences on finances of organizations and the workload of internal employees. Organizations hire more freelancers, due to the fact that more people become self-employed. This negatively affects the financial situation of an organization, since external employees receive higher compensations in comparison to internal employees. So, when the labour remains the same, or increases, the expenditures on external employees will increase further. Especially in the healthcare sector this is difficult, as some organizations are obliged to provide healthcare, and therefore can not avoid employing external employees. Besides that, when amount of the external employees in an organization increases, the workload of internal employees increases as well, as mostly internal employees perform overhead activities. Thus, when line managers employ more external employees, they need to keep an eye on the increase in expenditures of labour costs and the increasing workload of internal employees.

In conclusion, during this research it became evident that the HR architecture of Lepak and Snell (1999) that is used as the main theoretical model, is obsolete. The assumptions that are made in this HR architecture, which is over twenty years old, do not correspond to the contemporary reality. Therefore, this HR architecture can not be used by line managers in managing their human capital. Furthermore, it can be concluded that the emergence of online labour platforms causes frictions, and this results in several implications for line managers in the management of human capital. The most important implications are; line managers practically need to manage their human capital individually, the selection and acquisition of human capital gets easier and of higher quality, and the increase in external employees results in greater labour expenditures and workload for internal employees. As a final point, hardly any healthcare organization uses online labour platforms for acquiring their human capital. Therefore, in this research it is assumed that the intermediaries that mediate between freelancers and self-employed have the same relationship (contractor – client relationship) with organizations as they would have had, had they been

obtained through online labour platforms. In all probability, the relationship between freelancers/self-employed and organizations will be different when there is no personal contact with the intermediary (e.g. online labour platform). All in all, online labour platforms have multiple implications for the role of line managers in managing their human capital, and further implications will most likely follow when more organizations use the services of online labour platforms.

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5. Appendices

5.1 Appendix 1: Interview Template

Interview Template

Date:

Interviewee:

Interviewer:

Remarks upfront:

Introduction

- Recording interview
- Age
- Company (e.g. what kind of company, core competences)
- Background

Team description

- Who work in your team? Which kind of employees are internal/ external?
- What kind of tasks do freelancers have in the team? Are these tasks different from internal employees?
- Do the freelancers work intensively together with internal employees?
- Do you receive freelancers via agencies/platforms?
- What is your experience with this kind of intermediaries? And what is your experience with their freelancers?
- Why does your organisation work with freelancers?
- **What kind of consequences do you recognize in managing human capital due to working with internal employees and external employees? Are these consequences beneficial or unfavourable, and why? Can you give examples?**

Human capital characteristics

- Do freelancers have the same skills as internal personal? Are there differences and/or similarities?
- To what extend do freelancers have certain skills that are not present in the organization?
- What skills do freelancers need to perform their job properly? Are these skills widely available on the labour market? To which extent can these skills be useful in other organizations?
- To what extend do employees in your team create customer value? Are there differences in creating customer value between internal employees and freelancers?

- To what extent are the skills of internal employees difficult to replace? Is this the same for the skills of external employees?
- In what way does the organization support the 'personal' development of the employees? Is this the same for freelancers? Can you give examples?
- In what way do freelancers contribute to development of new market/product/service opportunities? Can you give examples?
- Are the skills that your internal employees need to have unique for your organization? Is this the same for freelancers?
- **What kind of difficulties do you recognize in finding the right balance between internal employees and external employees on the basis of their characteristics? Why/why not? Can you give examples?**

HR Architecture
Employment mode

- To what extent are there differences in the development opportunities amongst internal employees? Can you give examples of differences?
(Internal: mutual investment/ only on value creation and not on development)
- To what extent are there differences in the development opportunities amongst freelancers? Can you give examples of differences?
(External: standardized without difficulties/ joint venture)
- Which differences are there in the development opportunities between internal employees and freelancers? If so, can you give examples of differences?

Employment relationship
- Which differences do you recognize in the employment relationship with internal employees and freelancers?
- To what extent would you describe your relationship with internal employees as based on mutual investments? Counts the same for freelancers?
- Would you describe your relationship with freelancers as based on (short-term) contractual arrangements? Is this different from internal employees can you give examples?
- Do you have any commentary on the relationship with internal employees and freelancers?
- **What kind of difficulties do you recognize in the employment relationships between internal employees and external employees? Why/why not? Can you give examples?**

Hr configurations
- How would you describe the feedback the employees in your team receive from you? In what way does the feedback differ between internal employees and freelancers?
- How would you describe the performance appraisal of your team members? Do you make distinction between internal employees and freelancers?

- What kind of training do you offer the employees in your team? Do you make distinction between internal employees and freelancers? Do freelancers get opportunities/training that internal employees do not?
- Are there selection procedures for employees in your team? Does the selection differ for internal employees and freelancers? Why and can you give examples?
- How is the compensation of your employees arranged in your team? Are there differences in compensation between internal employees and freelancers? If so, are these favourable and does it have consequences within the team?
- Do you recognize differences in the incentives between internal employees and freelancers?
- **What kind of difficulties do you recognize in the aforementioned HR practices between internal employees and external employees? Are these consequences favourable? Do these consequences offer opportunities or solely problems? How do you experience them? Why and can you give examples?**

Closing/last remarks
- Do you want to add anything to this interview?
- Word of thanks

5.2 Appendix 2: Code scheme semi-structured interviews

Table 1: Code scheme semi-structured interviews

Selective codes	Axial codes	Open codes
Human capital value	Abilities	Similar abilities between internal employees & external employees
		External employees more experience
		External employees less abilities
		External employees have more abilities
	Skills	Similar skills between internal employees & external employees
		Unique skills for organization
		External employees specific knowledge
		High educated employees
	Added value	External employees need added value
		More experience in the field of expertise (external employees)
		Internal employees create more value
		All employees have added value
		Great network external employee
		Added value external employees project specific
		External employee more added value
		Similar added value
		Internal employees more responsibility
		Culture unique for internal employees
	New ideas	External employees do not contribute to new (market) ideas
		External employees contribute with their human capital
		External employees contribute with their experience
		No room for new ideas exploitation
Human capital uniqueness	Abilities	Similar abilities between internal & external employees
		Strong personal network
		External employees are employed on human capital
		Culture unique for internal employees
	Skills	Similar skills between internal employees & external employees
		Skills not widely available
		Unique skills employees
		High transferability of skills
		Unique skills external employees

		Skills not unique
		External employees' skills were not present internally
	Transferability	No difference in transferability
		External employee no direction task
		High transferability of employees
		Same tasks employees
		Internal employees hard to replace
		External employees no overhead activities
		Hard to replace because low capacity
		Employees not hard to replace
Employment mode	Internal (development) employment	Development opportunities for internal employees
		Development based on mutual investment of internal employees
		Career development internal employees
		Internal differences in development
		More development opportunities for internal employees (direction tasks)
		Internal employees are created within the company
		Development based on education level
		Development culture
		Development internal employee person specific
	Internal (acquire) employment	Development opportunities for internal employees
		More development opportunities for internal employees
		Development based on career
		Employees acquired via intermediary
		External employee acquired on Human capital
		Development based on education level
		Development based on value creation
		Development options needed acquiring internal employees
		Internal flexible shell
		Same development opportunities for internal employees
	External (contract) employment	Project-based employment
		Flexible shell
		No (career) development for external employees
		Less development external employees
		External because of freedom
		Less commitment external employee
		External employees flexible

		All employees internal is favourable
		All employees same development possibilities
		External employees get less development options
		Risk external employee
		External employees for peak production
		External employment for gap period
		Absenteeism internal employees
		External employees good quality
		External employees autonomous
		Intermediaries are necessary evil
		External employee because of scarcity
	Alliance employment	Shared care
		Shared human capital
Employment relationship	Internal employee relationship	Development relationship internal employees
		More attention internal employees
		Relationship with internal employee more serious
		Different relationships with internal employees
		Differences due to educational level
		Difficulties in relationship due to more employees
		Relationship with internal employees based on mutual investment
	External employee relationship	Project-based relationship
		Conscious project approach external employees
		Clear requirements for external employees
		No commitment of external employees
		Good relationship with valuable external employees
		Different relationship with external employees
		Contractual relationship
		External employees more commitment
		Difficulties in relationship with external employees
	Similarities in relationship internal employees & external employees	Similar employment relationship internal & external employees
		Same management
		No differences in relationship
HR configurations	Feedback	Similar feedback
		External employees cope differently with feedback
		Feedback differs because of future employment

		No feedback external employee
		Project-based feedback external employee
		Internal employees get more feedback based on their personality and career
		Internal employees more feedback because more (overhead) tasks
		Feedback differs between internal & external employees
	Performance appraisal	Career based performance appraisal internal employees
		Different performance appraisal external employee
		External employees go/no go appraisal
		Consequences of appraisal differ
		No performance appraisal external employees
		External employee easier performance appraisal because of clear task
		Annual performance appraisal internal employees
	Training	More training possibilities internal employees
		Only necessary training external employees
		No differences in training
		Mandatory training for everyone
		Only training for internal employees
		Training all employees for team
		Only training for external employee when committed
	Selection procedures	Strict selection procedure internal employees
		Criteria based selection procedure external employees
		Easier selection procedure external employees
		Skills + team selection internal employee
		Selection on skills external employees
		Same selection procedure
		Selection procedure internal employee based on team
		Work distance difficulty
	Compensation	Differences in compensation
		No bonus arrangement external employees
		Bonus internal employees
		No secondary rewards external employees
		External employees receive higher compensation
		Different compensation conditions
		Internal employees CLA compensated

	Incentives	Internal employees more motivated
		Differences in incentives
		External employees money driven
Consequences of managing human capital	Working with internal employees & external employees	External employees more critical
		Bad work relationship when external employees not committed
		Bad experience with external employees
		Internal employees happy with external employees
		Unrest in team
	Managing Human capital	Similarities in managing internal & external employees
		Contractual differences
		Investing more in internal employee
		External employee needs commitment
		More work with external employees
		More awareness of tasks employees
		External employees more satisfied
		External employees less commited
		More work with managing both types of human capital
		External employees work more soloistic
		Communication difficulties with external employees
		Experience of external employees used for team
		To much external employees in team difficulty to manage
		Differences in managing internal employees & external employees
		Frictions between internal employees & external employees
		External employees managed by intermediary
		Friction with external employees
Consequences in Human capital balance	Balance intern/extern employees	Good balance between internal & external employees
		No difficulties in finding balance
		Right balance internal & external employees
		No frictions when everyone is committed
		No difficulties in balance
		Difficulties in balance with external employees
		Future balance difficulties
Consequences in employment relationship between internal employees and external employees		No difficulties in employment relationship
		No frictions when both committed
		Difficulties communicated with intermediary
		Communication difficulties with employees

		Friction within nurse teams
		Possible friction within employment relationship
		Difficulties within teams with external employees
		Less confidence in external employees
Consequences HR practices		No friction due to compensation difference internal & external employees
		Internal employees get more training
		External employee compensation financial friction
		No difficulties in HR practices
		Friction due to ignorance
		Unexperienced employees need more managing
		Less HR practices for external employees
		Different compensation internal employees & external employees
		Friction due to flexibilization labour market
		Difficulties in several Hr practices

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5.3 Appendix 3: Translation interview quotes

Table 2: Translation interview quotes

Dutch	English
Die opleiding bieden wij mensen aan, maar ik kan niet iedereen die opleiding aanbieden.	We offer people that training, but I can not offer that training to everyone. (H)
Ik ga gewoon vijf weken op vakantie zomers.	I just go on vacation in the summer for five weeks. (PH)
Die kiezen juist voor het bestaan vanwege de vrijheid.	They choose for this existence because of freedom. (HC)
Die benutten hun vrijheid door soms ook een week lang of acht nachten achter elkaar te werken en daarna bijvoorbeeld een maand weer niet te werken.	They make use of their freedom by sometimes working one week for eight consecutive nights and then, for example, not working for another month. (HC)
Dan is je groepsvorming weg want je krijgt tweespalt in het team.	Then is your group formation gone, because you get a split in the team. (HC)
En vervolgens moeten de eigen medewerkers nog harder werken en die raken uit de roulatie en die worden ziek en dan moet de rest nog harder werken.	And consequently, our own employees have to work even harder and they get out of circulation, and they get sick and then the rest has to work even harder. (HC)
Dan heeft dat zeker impact op de samenwerking.	Then that certainly has an impact on the collaboration. (HI)
De sfeer en de chemie die er is.	The atmosphere and the chemistry that is present. (HI)
Dus de mensen die wij eigenlijk als vaste medewerkers zouden willen hebben die bieden zich ook tevens aan als zzp'ers.	So the people that we would really like to have as internal employees also present themselves as freelancers. (HS)
Zorg uitbesteden aan bijvoorbeeld Betsies steunkousen.	Outsource care to, for example, Betsies steunkousen. (HC)
Een zzp'er ziet mij als opdrachtgever en dus de arbeidsrelatie is anders en daarbij lijkt het dan alsof een zzp'er zich meer gelijkwaardig voelt.	A self-employed person sees me as a client and so the employment relationship differs, and it seems as if a self-employed person feels more equal. (HC)
Een zzp'er zeg maar, die huur ik even in voor een specifieke opdracht met bepaalde speciale specifieke kennis en vaardigheden.	A self-employed person, so to speak, I am hiring for a specific assignment with certain special specific knowledge and skills. (PH)
Ik ga er precies hetzelfde mee om.	I deal exactly the same with them. (PH)
Een freelancers kan ook altijd nog in vaste dienst willen komen.	A freelancer can always become an internal employee. (PH)
Zeggen van ik weet wel hoe dat moet, je hoeft mij niks te vertellen.	Saying I know how to do that, you do not have to tell me anything. (HS)
Ze worden gewoon aangenomen voor een klus, als een klus voor bij is dan is het ja, kijken of het nog past en anders is het gewoon afscheid.	They are just hired for a job, if a job is over then it is yes, see if it still fits and otherwise it is just goodbye. (PH)
Op een gegeven moment geeft dat toch een beetje een oneerlijk gevoel.	At a certain moment it gives a bit of an unfair feeling. (H)
het voelt soms gewoon onredelijk omdat je gewoon veel meer moet betalen dan iemand anders die eigenlijk toch meer en beter zijn werk doet.	It sometimes just feels unreasonable because you just have to pay much more than someone else who actually does his job more and better. (H)
De werkdruk wordt hoger voor de ander.	The workload becomes higher for the other. (H)
Nee, een ZZP'er denkt dat dat allemaal niet voor hem of haar geldt.	No, a freelancer thinks that all of this does not apply to him or her." (HC)

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Je hebt die freelancers, zzp'er, oproepkracht of inleenkracht, die heb je gewoon nodig.	You just need those freelancers, self-employed, on-call or hired-in staff. (HC)
Als je een interne medewerker aanneemt let je nog beter op of die in het team past.	If you hire an internal employee, you pay even more attention to whether they fit in the team. (HC)
Bij het interne personeel zit je heel erg te kijken naar wie past er het beste in mijn team.	With the internal staff you focus on who fits the best in my team. (PH)
Bij de externe medewerker kijk je beter van past die bij de klus.	With the external employee, you focus on if it matches with the job. (HC)
Ik was allang blij dat er iemand kwam.	I was already happy that someone came (HC).
Recruiters kunnen soms net wat preciezer zijn in de voorselectie.	Recruiters can sometimes be a bit more precise in the selection. (H)
Ik ben op zoek naar vaste mensen die kiezen voor mijn organisatie.	I am looking for permanent people who choose for my organization. (H)
Er zijn interne medewerkers die besluiten om zzp'er te worden vanwege de grote beloningsverschillen.	There are internal employees who decide to become self-employed because of the large compensation differences. (HS)
En als je dat even uitlegt, en dan is het probleem opgelost.	And if you explain that, and then the problem is solved. (PH)
Daar hangt dan een bepaalde functie schaal aan, een bepaald percentage daarboven mag je belonen zeg maar.	It depends on a certain function scale, and a you can reward a certain percentage above that. (HI)
Dus daar moet je soms ook gewoon meer betalen dan wat strikt volgens de beleidsregels van (de organisatie) mag.	So sometimes you just have to pay more than what is strictly allowed according to (the organization) policy rules. (HI)
Het is niet reëel denk ik, om te denken dat we komende jaren zonder deze bureaus, of zonder deze platforms zullen werken.	It is not realistic in my opinion, to think that in the upcoming years we will work without these agencies or without these platforms. (HS)
Jaarlijks zien we onze uitgaven aan externen alleen maar stijgen.	Annually, we see or expenditure on external parties only increasing. (HS)
Er zit maar één punt in en dat is dat de ZZP bij ons een jaar contract hebben. Als je het goed doet wordt het verlengt.	There is only one point and that is that the self-employed employee has a one-year contract with us. If you do it right, it will be extended. (PH)
Ja want ik heb geloof ik nou al vier jaar een jaar contract gehad.	Yes, I believe I have had a one-year contract for four years now. (PH)
Die zullen we dan hetzelfde behandelen als een vast personeelslid.	We will treat them the same as a permanent employee. (PH)
Ik vind het een hele negatieve ontwikkeling, als jij je niks aantrekt van je leidinggevende.	I think it is a very negative development, if you do not care about your supervisor. (HC)
Ja, vind ik negatief. Dat is niet hoe wij willen dat er gewerkt wordt.	Yes, I find it negative. That is not how we want work to be done. (HC)
Iemand die even kort op een rijdende trein springt.	Someone that briefly jumps on a moving train. (PH)
Bij mijn interne mensen investeer ik heel duidelijk in de ontwikkeling en in zzp'ers niet.	With my internal people, I clearly invest in development and do not invest in freelancers. (PH)
de opdracht die die zzp'er heeft, of die pnil'er, die heeft een kop en een staart en is daarmee duidelijker.	The assignment that the freelancer has, or that pnil'er, has a head and a tail and is therefore clearer. (H)

Beschikbaarheid zoals op een bepaald tijdstip en het gaat om vaardigheden of het gaat gewoon domweg binnen de reguliere teams, omdat je een piek hebt die je op moet vangen.	Availability at a given time, and it is about skills or it is simply within regular teams, due to a peak that you have to absorb. (HC)
De externe wordt dan echt beoordeeld op de patiëntenzorg.	The external is then really assessed on patient care. (H)
Dan is het eigenlijk meer kijken van, kan iemand de taken en verantwoordelijkheden en bevoegdheden, is daar een match.	Then it is actually more looking at, is someone able to execute the tasks and responsibilities and competences, there is a match. (H)