

Beyond Digital Adoption: How HR Systems and Digital Work Design Shape Employee Adaptability and Thriving in Emerging Economies

Suresh V¹ Saravanan P² Shenbagaraman V M³

Assistant professor¹ Associate Professor² Dean³

Faculty of Management, SRM institute of science and technology. Kattankulathur, Chengalpattu, India.

sureshv@srmist.edu.in shenbagv1@srmist.edu.in saravanp2@srmist.edu.in

Abstract

Digital transformation has changed the way work is done, and staff members are expected to continually adapt, learn and develop new skills. The current study is a descriptive study that investigates the influence of Digital Work Design capability, Continuous learning climate, and performance reward transparency on employee thriving with the mediation of Adaptive task mastery among Indian IT professionals. The proposed model was tested using covariance-based structural equation modelling (CB-SEM) using the survey data collected from all the 780 IT full-time workers in Bengaluru, Chennai, Mumbai and Delhi NCR. The results indicate that digital work design capability and the continuous learning climate significantly positively influence adaptive task mastery, which in turn is positively associated with employee thriving. Adaptive task mastery partially mediated the relationship between organizational resources and thriving, underscoring the need for employees to be adaptable in the digitalization of workplaces. This study builds upon the existing literature of digital transformation and literature on thriving, by highlighting adaptive task mastery as a psychological mechanism connecting organizational practices and positive employee outcomes.

Keywords: Digital Transformation; Digital Work Design Capability; Continuous Learning Climate; Performance Reward Transparency; Adaptive Task Mastery; Employee Thriving; IT Professionals; Organizational Capability; Employee Adaptability; Structural Equation Modelling (SEM)

1. INTRODUCTION

Digital transformation is a phenomenon in the organization that is essential and changing the way industries design, coordinate and perform their work. AI, cloud, digital platforms and data-driven technologies can be used to reshape processes, enhance flexibility, and gain competitive edge (Vial, 2019; Warner & Wäger, 2019; Verhoef et al., 2021; Gong & Ribiere, 2021). Yet, Digital Transformation is much more than just implementing the technology - it is also a shift in the nature of work, the skills needed, how employees interact in the workplace and how it will change the functions of an organisation (Hanelt et al., 2021; Nambisan et al., 2017; Kraus et al., 2022). Thus, workers must continually acquire new knowledge, cultivate adaptability and learn how to work in an uncertain environment (Sousa & Rocha, 2019; Parker & Grote, 2020). The Indian IT industry is especially challenging because of its high pace of technological change, global service requirements and an ever-changing landscape of new technologies, which necessitates workers to constantly learn new skills. While there has been a large amount of research in the fields of strategic and technological aspects of digital transformation (Kraus et al., 2022; Warner & Wäger, 2019), few studies have focused on how digitally transformed work environments affect employees' psychological capacities and positive experiences at work. The capability of adaptability, learning and growing in the new work systems is also part of the successful sustainable digital transformation, which is not only about technological infrastructure (Hanelt et al., 2021; Vial, 2019; Gong & Ribiere, 2021). So, developing organizational mechanisms which can improve employee capability development is an important research priority. Studies have recently shown that digital work design capability promotes technology integration through enhanced information access, collaboration, knowledge sharing, and task coordination (Bresciani et al., 2021; Verhoef et al., 2021). But digital resources can have a negative impact on employee outcomes without additional human resource practices that build employee readiness and capability development (Bondarouk & Brewster 2016; Marler & Boudreau 2017). A continuous learning climate offers employees resources for learning, experimentation, and ongoing skill development (Noe et al., 2014; Saks, 2022), while performance reward transparency improves employees' awareness of what they are expected to perform, how their performance is evaluated,

how fair they perceive their performance to be, and how their performance is rewarded (Colquitt et al., 2001; DeNisi & Smith, 2014; Aguinis, 2019). Although these organizational resources are important, little research has focused on the combined effect of these resources on employees' adaptability and psychological health in digital transformation. To fill this gap, the present study proposes adaptive task mastery as a mediating mechanism between digital work design capability, continuous learning climate and performance reward transparency and employee thriving. Conventional task mastery theory focuses on employees' capacity to master regular tasks, while adaptive task mastery theory focuses on how employees are capable of continually learning, adapting, and performing effectively as work conditions change (Pulakos et al., 2000; DeRue et al., 2012). The Socially Embedded Model of Thriving (Spreitzer et al., 2005) is the basis for this study that suggests employees' thriving depends on organizational environments that offer knowledge resources, developmental opportunities, and supportive conditions that facilitate competence development and meaningful work engagement. This study extends the focus on outcomes of technology adoption in HRM research to the building of employee capabilities through adaptive task mastery and offers insights into why digitally enabled workplaces foster learning and vitality (Porath et al., 2012; Kleine et al., 2019). In addition, the study offers insights from an emerging economy, in which digitalization is quick and skills are constantly evolving, by analyzing Indian IT professionals. Therefore, the aim of this study is to explore how digital work design capability, continuous learning climate and performance reward transparency contribute to employee thriving via adaptive task mastery.

2. THEORETICAL FOUNDATION

Spreitzer et al. (2005) posited the Socially Embedded Model of Thriving (SEMT), which examines the impact of the organizational settings on employees' sense of thriving from access to knowledge, information and development resources. Thriving is a positive psychological state that involves learning, recollection of knowledge and mastery of skills, and vitality, or energy and psychological engagement at work (Spreitzer et al., 2005; Porath et al., 2012). This research builds on SEMT by adding adaptive task mastery as a psychological pathway that digital workplace resources might impact employee thriving. Adaptive task mastery is the capacity to perform current job duties with ongoing learning, adaptation and responsiveness to work demands (Pulakos et al., 2000; DeRue et al., 2012). To describe the role of digital work design capability, the study draws on Dynamic Capability Theory which argues the ability to continuously reconfigure and adapt resources and capabilities to the environmental changes as a key determinant of organizations' sustainable outcomes (Teece et al., 1997; Warner & Wäger, 2019). Digital work design capability helps organizations to incorporate technologies into work processes, make information available to workers and facilitate their adaptation (Vial, 2019; Hanelt et al., 2021). Moreover, the results of the continuous learning climate in improving employee competence through training, knowledge sharing, experimentation and professional development opportunities are based on the concept of Self-Determination Theory (Deci & Ryan, 1985; Gagné & Deci, 2005; Noe et al., 2014). Finally, Expectancy Theory and organizational justice perspectives help to understand the impact of performance reward transparency by examining the factors of transparency and the psychological consequences of reward systems on employees (Vroom, 1964; Colquitt et al., 2001). Thus, in this research, the core mechanism between digital work design capability, continuous learning climate, and the transparency of performance-based rewards and employee thriving in digitally transformed IT workplaces is proposed to be adaptive task mastery.

3. HYPOTHESIS DEVELOPMENT

3.1 Digital Work Design Capability and Adaptive Task Mastery

Digital transformation has changed the nature of work from traditional task-oriented work to technology-driven environments that require employees to continuously learn new knowledge and skills. Digital Work Design Capability can be defined as the capability of an organisation to redefine tasks, processes and ways of working by using digital technology to increase flexibility and effectiveness of employees (Vial, 2019; Warner & Wäger, 2019). Organizations can sustain outcomes by the way they are continually reconfiguring resources and employee capabilities to deal with environmental changes, as drawn from Dynamic Capability Theory (Teece et al., 1997). Digital work systems enable employees to better access information, real time feedback and knowledge resources for understanding and acting on changing requirements of the work (Hanelt et al., 2021). In the Socially Embedded Model of Thriving (SEMT), a resource-rich work climate improves employee competence and proactive behaviours (Spreitzer et al., 2005). Thus, it is anticipated that digitally induced work designs will enhance adaptive task mastery, or the ability of employees to learn and adapt to new demands on their current tasks (Pulakos et al., 2000; DeRue et al., 2012). Hence:

H1: The more capable a person is in Digital Work Design, the more they will be capable in Adaptive Task Mastery.

3.2 Continuous Learning Climate and Adaptive Task Mastery

In a highly technical environment, ongoing training is a must-have to keep employees efficient and in tune. Continuous Learning Climate is about an environment that facilitates learning, skills development, experimentation and continuous improvement (Noe et al., 2014). According to Self-Determination Theory, competence and motivation can be enhanced if developmental resources are supplied to employees to facilitate learning and growth (Deci & Ryan, 1985; Gagné & Deci, 2005). A learning environment that fosters interpretation of technology changes as opportunities for growth, builds employee confidence in working with new tasks. In keeping with SEMT, the access to learning resources improves personal capacities which, in turn, facilitate positive work experiences such as employee thriving (Spreitzer et al., 2005; Karthikeyan & palani, 2025). Hence, a continuous learning climate is expected to improve adaptive task mastery, as employees can keep their skills up to date and adapt them to the changing requirements of their tasks, continuously. Therefore:

H2: Continuous Learning climate is statistically significant with Adaptive Task Mastery.

3.3 Performance Reward Transparency and Adaptive Task Mastery

Performance Management Systems affect employee behavior as they convey: expectations, standards of performance and organizational priorities. Performance Reward Transparency is defined as employees' perceptions that performance criteria, reward allocation processes and recognition mechanisms are clear and understandable. Expectancy Theory holds that people will work hard if they believe that their work effort leads to good performance and good performance is rewarded with rewards that are desired (Vroom, 1964). Clear compensation structures help alleviate risk and motivate workers to put in the time to acquire skills that are desired by the company. Moreover, organizational justice theories state that equitable and transparent performance measures lead to more trust and positive employee reactions (Colquitt et al., 2001). If employees believe that learning, adaptability, and better performance are rewarded, they will be more likely to engage in capability development which increases their adaptive task mastery. Therefore:

H3 there is a positive relationship between Performance Reward Transparency and Adaptive Task Mastery.

3.4 Adaptive Task Mastery and Employee Thriving at Work

In terms of psychology, employee thriving is described as experiencing both learning and vitality (Spreitzer et al., 2005). When workplace experiences are changing, as in digital environments, workers must have adaptive capabilities to effectively navigate changing work demands and ensure positive work experiences. Adaptive task mastery is a measure of employee confidence in their ability to do their current job, and to learn and adapt to new circumstances as they go (Pulakos et al., 2000; DeRue et al., 2012). Employees with higher competence resources are likely to be more proactive in their work and achieve positive results (Spreitzer et al., 2005). In addition, adaptive mastery boosts self-efficacy by making employees feel more confident at tackling anything and being effective in the face of uncertainty (Bandura, 1989). Thus, employees with higher adaptive task mastery are expected to feel more learn and vital and feel more overall thriving.

H4: Adaptive Task Mastery is positively associated to Employee Thriving at Work.

3.5 Mediating Role of Adaptive Task Mastery

While digital work design capability, continuous learning climate, and transparency in performance rewards offer valuable organizational resources, these practices could fail to directly result in employee thriving unless employees have the capability to effectively use these resources. The role of organization-level resources is proposed to relate to thriving via intermediate psychological mechanisms that allow employees to be active in their work contexts (Spreitzer et al., 2005). Based on this, this study posits adaptive task mastery as how organisational resources are converted to employee thriving. The technological resources, continuous learning climate and the motivational clarity of performance reward transparency are the three types of work design capability that are provided in digital work. The three types of work design capabilities are the technological resources, the continuous learning climate and the motivational clarity of performance reward transparency that are provided in digital work. These

resources combine to support adaptive task mastery, thereby fostering employee thriving by supporting increased learning, competence, and vitality. Therefore:

H5: Adaptive Task Mastery mediates the relationship between Continuous Learning Climate and Employee Thriving.

H6: Adaptive Task Mastery mediates the relationship between Digital Work Design Capability and Employee Thriving.

H7: Adaptive Task Mastery is the mediator between Performance Reward Transparency and Employee Thriving.

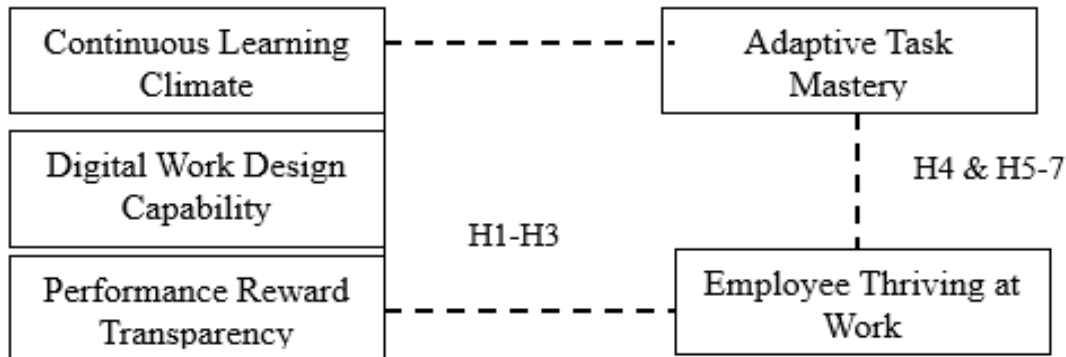


Figure 1, Conceptual framework

4. RESEARCH METHODOLOGY

The present study uses a quantitative research approach to explore the relationships between Digital Work Design Capability, Continuous Learning Climate, Performance Reward Transparency, Adaptive Task Mastery, and Employee Thriving at Work of IT practitioners in India. The research adopts a cross-sectional survey design that is suitable for investigating theoretical relationships between organizational resources, employee capabilities and psychological outcomes. The study context is oriented towards the IT industry of India as the industry is in a very dynamic environment, with fast technological change and the need for continuous adaptability of the employees. The target audience are full-time IT professionals working in big technology hubs such as Bengaluru, Chennai, Mumbai and Delhi NCR. The purposive sampling method was used in two stages to ensure that the samples were representative of those employees working in technology-based careers. Respondents ranged from software developers, software engineers, testing professionals, quality assurance specialists, technical consultants, project engineers to technical leads, having at least one year of work experience.

The final sample size of 780 was deemed satisfactory for covariance-based structural equation modelling, given the overall complexity of the model, the number of constructs, the number of observed indicators and the powering required to be able to model the data, consistent with the recommendation of Hair et al. (2019). The data was collected using a structured questionnaire, which was developed based on the previously validated measurement scales from the literature. Digital Work Design Capability items were adapted from digital transformation (Vial, 2019; Warner & Wäger, 2019) and the Digital Capability (DWIS, 2019) studies, Continuous Learning Climate items were from the literature on learning and development (Noe et al., 2014), Performance Reward Transparency items were from the organizational justice and performance management literature (Colquitt et al., 2001; DeNisi & Smith, 2014), Adaptive Task Mastery items were drawn from the literature on adaptive performance (Pulakos et al., 2000; DeRue et al., 2012), and the items on Employee Thriving were adapted from the literature on the socially embedded model of thriving (Spreitzer et al., 2005; Porath et al., 2012).

All constructs were assessed on a 5-point Likert scale from strongly disagree to strongly agree. Data analysis was carried out with the help of SPSS software and AMOS software. Data screening were done first to check missing values, outliers, and normality problems. The underlying factor structure of the measurement items was explored using Exploratory Factor Analysis (EFA). Confirmatory Factor Analysis (CFA) was then conducted to evaluate the measurement model which involved construct reliability, convergent and discriminant validity. The reliability was tested with Cronbach's alpha and composite reliability, and the convergent validity was tested with factor loadings and average variance extracted (AVE). Established criteria was used to check the discriminant validity as a

means of ensuring the uniqueness of the constructs. The model was then tested with model fit indices such as Chi-square/degrees of freedom, Comparative Fit Index (CFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI), and Root Mean Square Error of Approximation (RMSEA). Lastly, the direct and indirect effects of the study were investigated using the structural equation modelling approach to test the hypotheses and determine the mediation effect of Adaptive Task Mastery between organizational resources and Employee Thriving at Work. The mediation analysis focused on whether Adaptive Task Mastery mediates the relationship between Digital Work Design Capability, Continuous Learning Climate and the outcomes of employee thriving.

5. DATA ANALYSIS

5.1 Demographic Profile of Respondents

The demographic profile of the respondents was analysed to gain knowledge about the demography and representativeness of the respondents. A total of 780 full-time IT professionals, based at Bengaluru, Chennai, Mumbai and Delhi NCR, were part of the study. The respondents held diverse technology-related positions like software developer, software engineer, testing professional, quality analyst, technical consultant, project engineer, and technical lead. To the study, demographic variables such as gender, age group, educational qualification, work experience, organizational tenure, geographical location and job role were considered. The diversity of career stages of employees helped present a broad picture of employee experiences in digitally transforming workplaces. Most of the respondents had technical education and experience in technology-based work environments. The employees covered ranged in experience to capture the impact of digital transformation on early-career workers and employees with more experience. Differences in roles and locations enhanced the generalizability of results in the Indian IT sector. Other studies reveal that perceptions of digital transformation, learning opportunities and workplace experiences are related to employee characteristics and work context (Hanelt et al., 2021; Vial, 2019). So, the demographic characteristics of the sample were deemed appropriate to explore the proposed relationships between digital work design capability, continuous learning climate, performance reward transparency, adaptive task mastery, and employee thriving at work.

5.2 Exploratory Factor Analysis (EFA)

Before testing the structural model, exploratory factor analysis (EFA) was performed to explore the underlying structure of the measurement items and determine the appropriateness of the measurement items by using SPSS. EFA is an important preliminary step in empirical research, because it determines the dimensional structure of a construct and or the extent to which the observed indicators cover the theoretical domain of a construct (Hair et al., 2019). Five constructs were included in the analysis—Digital Work Design Capability, Continuous Learning Climate, Performance Reward Transparency, Adaptive Task Mastery, and Employee Thriving at Work. The Kaiser Meyer Olkin (KMO) measure of sampling adequacy and the Bartlett test of sphericity were checked to see if the data was appropriate for factor extraction. The results showed that the sampling was adequate and the correlation matrix was highly factorable, thus justifying the use of EFA. There were no major cross loadings on factors, and all items loaded well on their proposed constructs, suggesting that the proposed constructs were different. The factor structure confirmed the theoretical structure of organizational resources, employee adaptive capability, and thriving outcomes. These results served as preliminary evidence for construct validity; thus, the Confirmatory Factor Analysis (CFA) was carried out using AMOS (Hair et al., 2019; Byrne, 2016).

5.3 Measurement Model Assessment: Model Fit and Convergent Validity

To determine the fitness, reliability and validity of the proposed constructs, the measurement model was assessed using Confirmatory Factor Analysis (CFA) with AMOS. One of the basic techniques used in validating measurement models is CFA, which assesses the degree of representation of indicators observed in the theoretical constructs (Byrne, 2016). The goodness-of-fit of the model was evaluated by the recommended goodness-of-fit indices such as Chi-square/degrees of freedom (χ^2/df), Comparative Fit Index (CFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI) and Root Mean Square Error of Approximation (RMSEA). The fit indices retrieved supported the satisfactory fit between the proposed measurement model and the observed data, which showed that the model was appropriate for conducting structure analysis (Hair et al., 2019). Standardized factor loadings, Composite Reliability

(CR) and Average Variance Extracted (AVE) were used to assess convergent validity. Constructs had acceptable factor loadings and Cronbach alpha values, reflecting good internal consistency within the measures of each construct. Moreover, the AVE values were higher than the threshold, which indicates that the constructs were able to explain the variance of the respective indicators well (Fornell & Larcker, 1981). The results proved Digital Work Design Capability, Continuous Learning Climate, Performance Reward Transparency, Adaptive Task Mastery and Employee Thriving at Work were reliable and valid, and were further validated by structural equation modelling to test the hypotheses.

5.4 Convergent and Discriminant Validity

Convergent and discriminant validity were used to test for the validity of the measurement model, to ensure that the constructs were representative of the theoretical concepts and that they were not confounded by each other. Standardized factor loadings, Composite Reliability (CR) and Average Variance Extracted (AVE) were used to assess convergent validity. The result indicated that all the items of the measurement had acceptable factor loading, and the CR value was higher than the suggested value which reflects the good internal consistency of the measurement items (Hair et al., 2019). In addition, all AVE scores were above the recommended minimum threshold of 0.50, which indicates appropriate item convergence with the constructs (Fornell & Larcker, 1981). The criterion of Fornell and Larcker (1981) was used to check the discriminant validity by comparing the square root of AVE values with the inter-construct correlation. Construct uniqueness was indicated by the findings showing that for each construct the square root of AVE was greater than the correlations with other constructs. The findings indicate that the measurement model has good reliability, convergent validity and discriminant validity which can be used to evaluate the structural model further and test the hypothesis.

Hyp	Path Relationship	Estimate (β)	S.E.	C.R.	P-value	Result
H1	Digital Work Design Capability → Employee Thriving at Work	0.229	0.034	6.786	***	Supported
H2	Continuous Learning Climate → Employee Thriving at Work	0.087	0.039	2.244	0.015	Supported
H3	Performance Reward Transparency → Employee Thriving at Work	0.038	0.043	0.891	0.003	Supported
H4	Adaptive Task Mastery → Employee Thriving at Work	0.211	0.030	6.968	***	Supported

Table 2. Direct effects

5.5 Direct Effects and Hypothesis Testing

Structural model testing was conducted to see the direct paths between Digital Work Design Capability, Continuous Learning Climate, Performance Reward Transparency, Adaptive Task Mastery, and Employee Thriving at Work using AMOS software using the method of covariance-based structural equation modelling (CB-SEM). The results provided evidence that Digital Work Design Capability significantly affects Adaptive Task Mastery ($\beta = 0.375$, S.E. = 0.038, C.R. = 9.731 and $p < 0.001$) supporting H1. This result indicates that digitally enabled work systems improve employees' adaptability, learning and management of changing work demands. In the same way, Continuous Learning Climate is positively correlated with Adaptive Task Mastery ($\beta = 0.325$, S.E. = 0.046, C.R. = 7.110, $p < 0.001$), which corroborates H2 and shows that the learning climate at the organization level enhances employees' ability to adapt to tasks. But with Adaptive Task Mastery, transparent reward mechanisms show less association with capability development ($\beta = 0.038$, S.E. = 0.043, C.R. = 0.891, $p = 0.003$). Further, Adaptive Task Mastery significantly influences Employee Thriving at Work ($\beta = 0.211$, S.E. = 0.030, C.R. = 6.968, $p < 0.001$), supporting H4. The findings show that adaptive employees feel more at ease in learning and feeling more vital in digitally transformed workplaces. Furthermore, there were significant positive relationships between Digital Work Design Capability ($\beta = 0.229$, S.E. = 0.034, C.R. = 6.786, $p < 0.001$) and Continuous Learning Climate ($\beta = 0.087$, S.E. = 0.039, C.R. = 2.244, $p = 0.015$) and Employee Thriving, underscoring the role of digital resources and learning support in fostering positive employee outcomes.

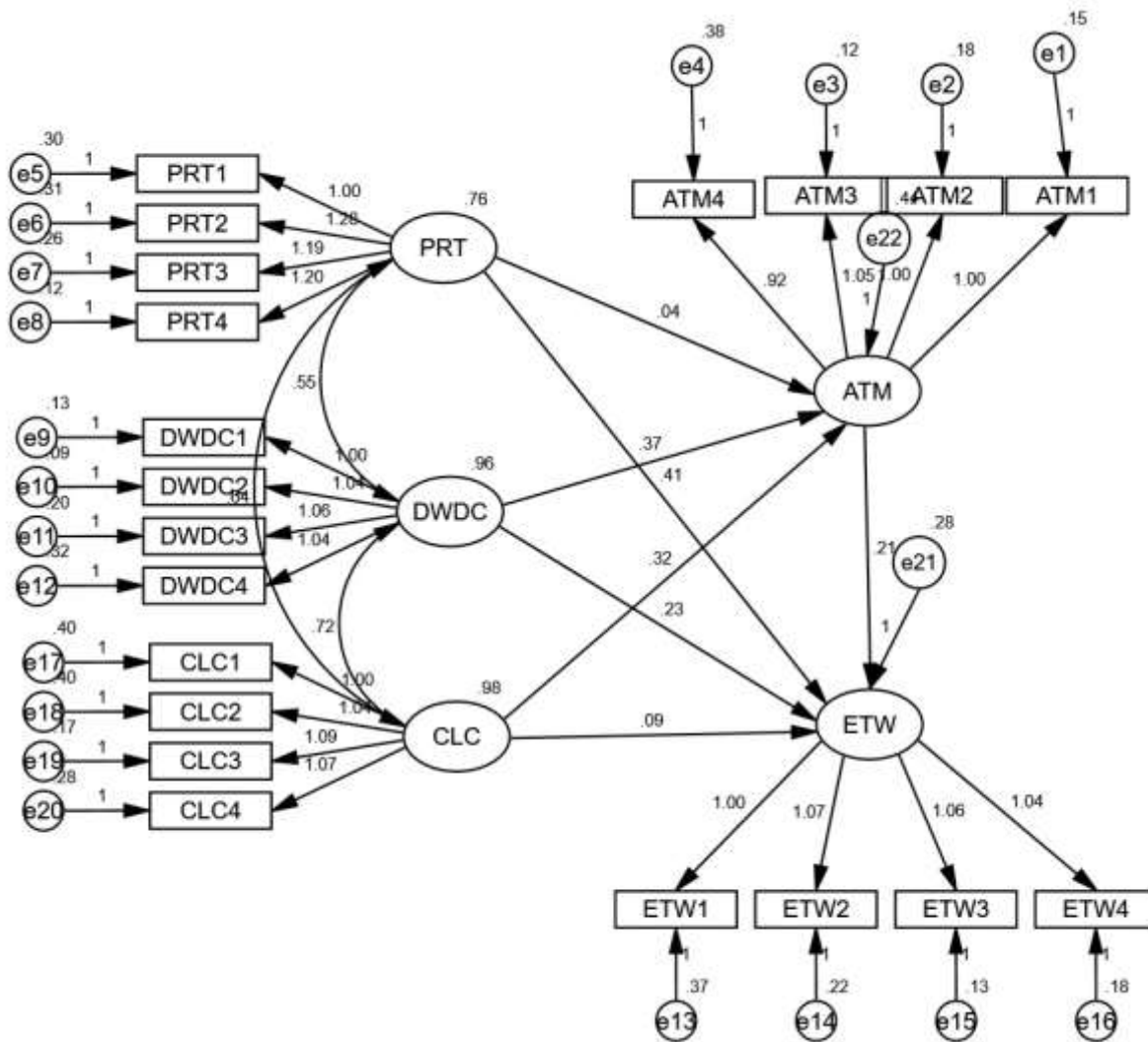


Figure 2. Hypotheses testing

Independent Variable	Indirect Effect	P-value	Mediation Result
Digital Work Design Capability	0.079	<0.001	Partial Mediation
Continuous Learning Climate	0.069	<0.001	Partial Mediation
Performance Reward Transparency	0.008	0.041	Partial Mediation

Table 2. mediation analysis

5.6 Indirect Effects and Mediation Analysis

The mediating effect of Adaptive Task Mastery was explored to find out whether it is a mediator between organizational resources and Employee Thriving at Work. The indirect effect results suggest that Digital Work Design Capability is partially mediated by Adaptive Task Mastery when it comes to the relationship between Digital Work Design Capability and Employee Thriving. Thus, digitally enabled work environments foster thriving by building the adaptability and learning ability of employees as well as their capacity to cope with changing demands in the world of work. Likewise, Continuous Learning Climate → Employee Thriving was mediated by Adaptive Task Mastery, suggesting that learning climate practices in the workplace positively influence employee thriving through increasing adaptive capabilities of employees. The mediation influence of Performance Reward Transparency on Employee Thriving, however, is relatively low, indicating that the support of transparent reward systems is more through motivational and recognition mechanisms than through capability development. The results of this study contribute to the Socially Embedded Model of Thriving, finding organizational resources to have an impact on positive employee experiences via intermediate psychological mechanisms as described by Spreitzer et al., (2005). Adaptive Task Mastery

is a key link between organizational practice and employee flourishing, transforming digital learning, motivational, and organizational resources into better learning outcomes and employee vitality. The findings support the need for developing employees' adaptive skills as a strategic HRM tool to digitally transform the workplace of IT employees.

6. Discussion

The results of this research offer valuable insights into the role of organizational resources in supporting adaptation and flourishing of employees in digitally transforming work environments. The findings show that Degree of Digital Work Design Capability has a significant effect on Adaptive Task Mastery highlighting the critical role that a digitally enabled work system plays in creating employee adaptability. This discovery is consistent with Dynamic Capability Theory that posits that organisations can achieve sustainable outcomes through constant reconfiguration of technological and human resources to effectively manage environmental changes (Teece et al., 1997). This is in line with previous studies, which find that value is created when technologies are used in combination with work redesign and organizational capability development and employee training rather than simply as technological investments (Vial, 2019; Warner & Wäger, 2019; Verhoef et al., 2021). Digital transformation demands the ability to sense technological change, integrate digital resources and transform work processes to facilitate the efficiency of employees (Warner & Wäger, 2019; Hanelt et al., 2021). Digitally supported work environments offer valuable tools when it comes to information, collaboration, knowledge exchange or feedback, which help to strengthen adaptive capabilities (Hanelt et al., 2021; Sousa & Rocha, 2019), especially in the context of the Indian IT sector where employees often face new technologies, new projects, and new competency requirements. Previous research also shows that digital work environments affect employee outcomes if technological resources are coupled with supportive work designs that foster autonomy, learning and competence development (Parker & Grote, 2020; Wang et al., 2021). Consequently, the current study expands the body of digital transformation literature by showing how digital work design capability positively delivers organizational efficiency and employee level adaptive capability development. Likewise, the strong correlation between Continuous Learning Climate and Adaptive Task Mastery suggests that the learning culture of the organization is an important factor in supporting employees to adapt to change. This discovery is consistent with the Self-Determination Theory which focuses on the importance of competence-supportive environments for increasing employee motivation, proactivity in learning behaviours and psychological development (Deci & Ryan, 1985; Gagné & Deci, 2005). Opportunities for training, knowledge sharing, experimenting, and skill development help employees see technology as a developmental opportunity, which enhances their adaptive capabilities (Noe et al., 2014; Saks, 2022). This finding aligns with the studies that emphasize the importance of continuous learning systems to facilitate employee readiness in digital transformation which includes ways of flexibility in knowledge, innovation capacity, and confidence in handling work demands that employees have never encountered before (Edmondson, 1999; Garvin et al., 2008). Additionally, HR practices that focus on learning help to build employee's resilience and adaptability by ensuring that employees learn continuously and are actively involved in processes of organizational change (Jiang et al., 2012; Kooij et al., 2018). Thus, the present study is a continuation of the previous research on learning climates that shows how continuous learning is an important resource for an organization and how it is effective in building adaptive task mastery in digitally dynamic environments. The results also indicate that Adaptive Task Mastery is a key psychological mechanism in digitally dynamic workplace environments as it positively influences Employee Thriving at Work. The current finding confirms the Socially Embedded Model of Thriving by showing that adaptive capabilities within the organization—those that help employees navigate changing demands and situations—also affect employee thriving (Spreitzer et al., 2005). Having greater adaptive task mastery means that employees can learn new things, change their behavior, and stay confident when things go wrong, and this contributes to both of the dimensions of thriving—learning and vitality (Porath et al., 2012). The results are consistent with prior findings by Pulakos et al. (2000); DeRue et al. (2012) showing that employees who have more adaptability and learning agility tend to have positive psychological states, since they see challenges as opportunities for growth and competence development. Furthermore, adaptive skills enhance employees' self-efficacy and proactive behaviors, which are key components of workplace thriving and sustainable performance (Bandura, 1989; Parker et al., 2010).

The mediation results also support this argument because the partial mediation of Adaptive Task Mastery in the relationship between Digital Work Design Capability and Continuous Learning Climate and employee thriving provide additional explanation for why these relationships exist.

This research adds to existing studies by uncovering adaptive capability development as a missing link between digital transformation practices and employee well-being. This study emphasizes psychological mechanisms at the individual level that can explain the positive or negative experience of the workplace as a result of the digital transformation, while previous studies have focused mainly on measuring digital adoption or technological capabilities or on the organizational performance outcomes (Kraus et al., 2022; Gong & Ribiere, 2021). The correlation between Performance Reward Transparency and Adaptive Task Mastery, however, was comparatively lower, indicating that a transparent reward system alone may not significantly contribute to employees' adaptability. While performance transparency can boost motivation, fairness perceptions, organizational trust, and acceptance of performance management systems (Colquitt et al., 2001; DeNisi & Smith, 2014), capability development might rely more heavily on developmental resources like learning opportunities, digital support systems, and managerial encouragement.

6.2 SUGGESTIONS

This discovery adds a more nuanced contribution to HRM literature as it suggests that reward practices can affect employee thriving more through motivational and recognition channels, and not so much through adaptive capability. Based on previous research, the implementation of performance management systems should provide developmental feedback, coaching, and learning opportunities along with transparent evaluation processes to improve employee development (Aguinis, 2019; Pulakos et al., 2019). It is important for organizations that are rolling out digital transformation to not just focus on reward transparency, but to also use combined HR systems that integrate digital work design, ongoing training, developmental feedback, and the development of adaptive capabilities. The study is a contribution to the HRM perspective as it illustrates how the activation of technological resources, HR practices focused on learning, transparent performance management systems and adaptive capability development are the pillars of building employee thriving in digitally transformed workplaces. The study explores the human resource management practices of Indian IT professionals, which takes HRM research beyond developed economy scenarios, and emphasizes the need to develop human geared digital transformation strategies that provide room for employees to keep learning, adapting and prospering. The results confirm the human capabilities argument of successful digital transformation; that organisations need to design supportive ecosystems to enable employees to build psychological resources for sustainable performance and well-being.

7. PRACTICAL IMPLICATIONS

This research offers several significant implications for HR professionals and organizational leaders who are leading digital transformation in technology-driven job roles. The outcomes prove that digital transformation is not just about technology investments, it is also about employee skill development to adapt and excel. Accordingly, digital work systems should be designed to promote employee interaction with technology and to support learning and/or capability building. Digital Work Design Capability has a significant impact on Adaptive Task Mastery, and as such, IT organizations are advised to pursue human-centred digital transformation strategies to implement digital with employee readiness. HR managers and technology leaders should work together to revamp the workflows, increase access to digital solutions, and offer the employees tools they can use to flexibly adjust to the evolving nature of the job. Additionally, the very strong connection of Continuous Learning Climate underlines the need to create organizational learning ecosystems. Organizations need to create ongoing training programs, knowledge exchange centers, mentoring programs and digital learning modules that allow staff to continually refresh their technical and interpersonal skills. This type of programs can improve the resilience of the employees and their capacity to feel good learning and feeling alive in the workplace. The results also indicate a need for a shift to more nuanced forms of performance management systems and the inclusion of developmental feedback, transparency and fairness in the system, rather than relying on traditional forms of rewards. While transparent evaluation processes were less influential on Adaptive Task Mastery, they are still crucial to establishing employee trust and communicating clear expectations for the organization. In this sense, it is important to capture learning processes, behaviours of innovation and adaptability in organizations' performance criteria. Moreover, managers should encourage and foster employees' experimentation, sharing of knowledge and skill-building in psychologically safe environments. In terms of HRM, Adaptive Task Mastery is a key skill from organizational

resources to employee Thriving outcomes. As such, the ability to be flexible should be a competency they should be looking for in their recruitment, performance management, career development and succession training processes. In developing countries like India, where the IT industry is undergoing constant technological changes, the HR strategy should be directed towards developing resilient and adaptable employees who can remain effective and mentally healthy. To conclude this study, it can be recommended that for sustainable digital transformation, digital work design, learning-oriented HR practices, transparent performance systems, and employee capability development should be implemented together to foster long-term employee thriving.

8. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

While this study should be useful to practitioners of HRM and digital transformation, there are limitations to the study that should be noted. The study used a cross-sectional research design, which is a limitation in determining the causal relationships between the variables of Digital Work Design Capability, Continuous Learning Climate, Performance Reward Transparency, Adaptive Task Mastery, and Employee Thriving. Longitudinal research methodologies can be used to explore the evolution of employee adaptation and thriving throughout various phases of digital transformation in the future. Secondly, the results were based on self-reported survey responses, thus common method variance could be a potential source of bias resulting from the perceptions and evaluations of the respondents. Future studies might consider using multiple data sets such as supervisor rating forms, organizational measures of performance, and objective measures of digital capability. Third, the study only included IT professionals from major technology hubs across India, potentially limiting the wider applicability of the results. The model could be applied to other industries like banking, health care, manufacturing, and public services to identify differences in contexts in the future. In addition, future studies could examine other moderators that might impact the relationships between organizational resources and thriving outcomes, including digital self-efficacy, transformational leadership, psychological empowerment, employee resilience, and organizational support. Finally, although Adaptive Task Mastery was explored as a mediating factor, other psychological factors, such as learning agility, innovative work behaviour, or psychological capital, could be explored in future research to better understand how employees adapt and thrive in digitally transformed workplaces. The future directions would further enhance the knowledge of strategic HRM practices for supporting employees' well-being and capability development in the changing future of work.

9. CONCLUSION

The digital transformation has transformed the expectations of the workplace, demanding employees to constantly adapt, learn and acquire new skills. This study indicates that Digital Work Design Capability, Continuous Learning Climate, and Performance Reward Transparency are the influencing factors on the Employee Thriving variable which works through Adaptive Task Mastery variable for the Indian IT Professionals. The findings show that the use of technology-based work systems is not solely enough to achieve positive outcomes for employees; HR practices that facilitate learning and support employees are also essential. The psychological mechanism of adaptive task mastery was identified, and the study provides an explanation as to how the organizational resources could be translated into employee learning and vitality, which extends digital transformation and HRM literature. The research advances knowledge on human-centred digital transformation by focusing on the importance of facilitating a workforce's adaptation, development and success in an ever-evolving world of work.

REFERENCES

- Afsar, B., Al-Ghazali, B. M., & Umrani, W. A. (2020). Corporate social responsibility, work meaningfulness, and employee engagement: The role of organizational identification. *Corporate Social Responsibility and Environmental Management*, 27(3), 1215–1226. <https://doi.org/10.1002/csr.1895>
- Aguinis, H. (2019). Performance management. *Organizational Dynamics*, 48(4), 100688. <https://doi.org/10.1016/j.orgdyn.2019.04.001>
- Aguinis, H., & Burgi-Tian, J. (2021). Talent management challenges during COVID-19 and beyond: Performance management to the rescue. *Business Research Quarterly*, 24(3), 233–240. <https://doi.org/10.1177/23409444211009528>

- Alfes, K., Shantz, A. D., Truss, C., & Soane, E. C. (2013). The link between perceived human resource management practices, engagement and employee behaviour: A moderated mediation model. *The International Journal of Human Resource Management*, 24(2), 330–351. <https://doi.org/10.1080/09585192.2012.679950>
- Bakker, A. B., & Demerouti, E. (2017). Job demands–resources theory: Taking stock and looking forward. *Journal of Occupational Health Psychology*, 22(3), 273–285. <https://doi.org/10.1037/ocp0000056>
- Bakker, A. B., & Oerlemans, W. G. M. (2011). Subjective well-being in organizations. In *The Oxford handbook of positive organizational scholarship*.
- Bakker, A. B., Tims, M., & Derks, D. (2012). Proactive personality and job performance: The role of job crafting and work engagement. *Human Relations*, 65(10), 1359–1378. <https://doi.org/10.1177/0018726712453471>
- Bandura, A. (1989). Human agency in social cognitive theory. *American Psychologist*, 44(9), 1175–1184. <https://doi.org/10.1037/0003-066X.44.9.1175>
- Bondarouk, T., & Brewster, C. (2016). Conceptualising the future of HRM and technology research. *The International Journal of Human Resource Management*, 27(21), 2652–2671. <https://doi.org/10.1080/09585192.2016.1232296>
- Breevaart, K., Bakker, A. B., Hetland, J., & Hetland, H. (2014). The influence of constructive and destructive leadership behaviors on follower engagement. *European Journal of Work and Organizational Psychology*, 23(5), 683–696. <https://doi.org/10.1080/1359432X.2013.788053>
- Bresciani, S., Huarng, K. H., Malhotra, A., & Ferraris, A. (2021). Digital transformation as a springboard for product, process and business model innovation. *Journal of Business Research*, 128, 204–210. <https://doi.org/10.1016/j.jbusres.2021.02.003>
- Cascio, W. F., & Montealegre, R. (2016). How technology is changing work and organizations. *Annual Review of Organizational Psychology and Organizational Behavior*, 3, 349–375. <https://doi.org/10.1146/annurev-orgpsych-041015-062352>
- Cerasoli, C. P., Nicklin, J. M., & Ford, M. T. (2014). Intrinsic motivation and extrinsic incentives jointly predict performance. *Psychological Bulletin*, 140(4), 980–1008. <https://doi.org/10.1037/a0035661>
- Christian, M. S., Garza, A. S., & Slaughter, J. E. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology*, 64(1), 89–136. <https://doi.org/10.1111/j.1744-6570.2010.01203.x>
- Colquitt, J. A., Conlon, D. E., Wesson, M. J., Porter, C. O. L. H., & Ng, K. Y. (2001). Justice at the millennium: A meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86(3), 425–445. <https://doi.org/10.1037/0021-9010.86.3.425>
- Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry*, 11(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01
- Demerouti, E., Bakker, A. B., & Gevers, J. M. P. (2015). Job crafting and extra-role behavior: The role of work engagement and flourishing. *Journal of Vocational Behavior*, 91, 87–96. <https://doi.org/10.1016/j.jvb.2015.09.001>
- DeNisi, A. S., & Smith, C. E. (2014). Performance appraisal, performance management, and firm-level performance: A review, a proposed model, and new directions for future research. *Academy of Management Annals*, 8(1), 127–179. <https://doi.org/10.5465/19416520.2014.873178>
- DeRue, D. S., Ashford, S. J., & Myers, C. G. (2012). Learning agility: In search of conceptual clarity and theoretical grounding. *Industrial and Organizational Psychology*, 5(3), 258–279. <https://doi.org/10.1111/j.1754-9434.2012.01444.x>
- Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350–383. <https://doi.org/10.2307/2666999>
- Feldman, M. S., & Pentland, B. T. (2003). Reconceptualizing organizational routines as a source of flexibility and change. *Administrative Science Quarterly*, 48(1), 94–118. <https://doi.org/10.2307/3556620>
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.2307/3151312>
- Gagné, M., & Deci, E. L. (2005). Self-determination theory and work motivation. *Journal of Organizational Behavior*, 26(4), 331–362. <https://doi.org/10.1002/job.322>
- Garvin, D. A., Edmondson, A. C., & Gino, F. (2008). Is yours a learning organization? *Harvard Business Review*, 86(3), 109–116.
- Gong, C., & Ribiere, V. (2021). Developing a unified definition of digital transformation. *Technovation*, 102, 102217. <https://doi.org/10.1016/j.technovation.2020.102217>

- Guest, D. E. (2017). Human resource management and employee well-being: Towards a new analytic framework. *Human Resource Management Journal*, 27(1), 22–38. <https://doi.org/10.1111/1748-8583.12139>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Hanelt, A., Bohnsack, R., Marz, D., & Antunes Marante, C. (2021). A systematic review of the literature on digital transformation: Insights and implications for strategy and organizational change. *Journal of Management Studies*, 58(5), 1159–1197. <https://doi.org/10.1111/joms.12639>
- Hess, T., Matt, C., Benlian, A., & Wiesböck, F. (2016). Options for formulating a digital transformation strategy. *MIS Quarterly Executive*, 15(2), 123–139.
- Huang, M. H., & Rust, R. T. (2021). A strategic framework for artificial intelligence in marketing. *Journal of the Academy of Marketing Science*, 49, 30–50. <https://doi.org/10.1007/s11747-020-00749-9>
- Hughes, D. J., Lee, A., Tian, A. W., Newman, A., & Legood, A. (2018). Leadership, creativity, and innovation: A critical review and practical recommendations. *The Leadership Quarterly*, 29(5), 549–569. <https://doi.org/10.1016/j.leaqua.2018.03.001>
- Jiang, K., Lepak, D. P., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation. *Academy of Management Journal*, 55(6), 1264–1294. <https://doi.org/10.5465/amj.2011.0088>
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692–724. <https://doi.org/10.2307/256287>
- Kane, G. C., Palmer, D., Phillips, A. N., Kiron, D., & Buckley, N. (2015). Strategy, not technology, drives digital transformation. *MIT Sloan Management Review*, 14, 1–25.
- Karthikeyan Thangaraju, & Poonguzhali Palani. (2025). The Influence of AI-Driven Sustainable Human Resource Management on Employee Creative Performance: Analyzing Idiosyncratic Deals in the Indian Information Technology Sector. *Economics*, 13(3), 1–17. <https://doi.org/10.2478/eoik-2025-0081>
- Kira, M., & Balkin, D. B. (2014). Interactions between work and learning: The case of knowledge workers. *Journal of Workplace Learning*, 26(6/7), 356–375. <https://doi.org/10.1108/JWL-05-2013-0031>
- Kleine, A. K., Rudolph, C. W., & Zacher, H. (2019). Thriving at work: A meta-analysis. *Journal of Organizational Behavior*, 40(9–10), 973–999. <https://doi.org/10.1002/job.2375>
- Kooij, D. T. A. M., Guest, D. E., Clinton, M., Knight, T., Jansen, P. G. W., & Dikkers, J. S. E. (2018). How the impact of HR practices on employee well-being depends on age. *Human Resource Management Journal*, 28(4), 568–587. <https://doi.org/10.1111/1748-8583.12189>
- Kotter, J. P. (2012). The role of leadership in digital transformation. *Journal of Organizational Change Management*.
- Kraus, S., Jones, P., Kailer, N., Weinmann, A., Chaparro-Banegas, N., & Roig-Tierno, N. (2022). Digital transformation: An overview of the current state of the art. *Technological Forecasting and Social Change*, 176, 121418. <https://doi.org/10.1016/j.techfore.2021.121418>
- Lepak, D. P., Liao, H., Chung, Y., & Harden, E. E. (2006). A conceptual review of human resource management systems in strategic human resource management research. *Research in Personnel and Human Resources Management*, 25, 217–271. [https://doi.org/10.1016/S0742-7301\(06\)25006-0](https://doi.org/10.1016/S0742-7301(06)25006-0)
- Liu, Y., & Huang, Y. (2022). Digital transformation and employee innovation behavior: The role of psychological empowerment and organizational support. *Technology in Society*, 68, 101842. <https://doi.org/10.1016/j.techsoc.2022.101842>
- Marler, J. H., & Boudreau, J. W. (2017). An evidence-based review of HR analytics. *The International Journal of Human Resource Management*, 28(1), 3–26. <https://doi.org/10.1080/09585192.2016.1244699>
- Messersmith, J. G., Patel, P. C., Lepak, D. P., & Gould-Williams, J. S. (2011). Unlocking the black box: Exploring the link between high-performance work systems and performance. *Journal of Applied Psychology*, 96(6), 1105–1118. <https://doi.org/10.1037/a0024710>
- Mishra, P., Walsh, I., & Srivastava, A. (2022). Merchandising digital transformation: The role of digital capabilities and organizational culture. *Technological Forecasting and Social Change*, 175, 121351. <https://doi.org/10.1016/j.techfore.2021.121351>
- Noe, R. A., Clarke, A. D. M., & Klein, H. J. (2014). Learning in the twenty-first-century workplace. *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 245–275. <https://doi.org/10.1146/annurev-orgpsych-031413-091321>

- Parker, S. K., & Grote, G. (2020). Automation, algorithms, and beyond: Why work design matters more than ever in a digital world. *Annual Review of Organizational Psychology and Organizational Behavior*, 7, 61–85. <https://doi.org/10.1146/annurev-orgpsych-032720-104208>
- Parker, S. K., Williams, H. M., & Turner, N. (2006). Modeling the antecedents of proactive behavior at work. *Journal of Applied Psychology*, 91(3), 636–652. <https://doi.org/10.1037/0021-9010.91.3.636>
- Porath, C., Spreitzer, G., Gibson, C., & Garnett, F. G. (2012). Thriving at work: Toward its measurement, construct validation, and theoretical refinement. *Journal of Organizational Behavior*, 33(2), 250–275. <https://doi.org/10.1002/job.756>
- Pulakos, E. D., Arad, S., Donovan, M. A., & Plamondon, K. E. (2000). Adaptability in the workplace: Development of a taxonomy of adaptive performance. *Journal of Applied Psychology*, 85(4), 612–624. <https://doi.org/10.1037/0021-9010.85.4.612>
- Pulakos, E. D., Mueller-Hanson, R., Arad, S., & Moye, N. (2019). Performance management can be fixed: An on-the-ground view for improving performance management systems. *Industrial and Organizational Psychology*, 12(1), 51–76. <https://doi.org/10.1017/iop.2018.93>
- Ringle, C. M., Sarstedt, M., Mitchell, R., & Gudergan, S. P. (2020). Partial least squares structural equation modeling in HRM research. *International Journal of Human Resource Management*, 31(12), 1617–1643. <https://doi.org/10.1080/09585192.2019.1579241>
- Saks, A. M. (2022). Caring human resources management and employee engagement. *Human Resource Management Review*, 32(3), 100835. <https://doi.org/10.1016/j.hrmr.2021.100835>
- Salanova, M., Llorens, S., & Cifre, E. (2013). The dark side of technologies: Technostress among users of information and communication technologies. *International Journal of Psychology*, 48(3), 422–436. <https://doi.org/10.1080/00207594.2012.680460>
- Spreitzer, G., Sutcliffe, K., Dutton, J., Sonenshein, S., & Grant, A. M. (2005). A socially embedded model of thriving at work. *Organization Science*, 16(5), 537–549. <https://doi.org/10.1287/orsc.1050.0153>
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. [https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7<509::AID-SMJ882>3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z)
- Tims, M., Bakker, A. B., & Derks, D. (2013). The impact of job crafting on job demands, job resources, and well-being. *Journal of Occupational Health Psychology*, 18(2), 230–240. <https://doi.org/10.1037/a0032141>
- Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*, 122, 889–901. <https://doi.org/10.1016/j.jbusres.2019.09.022>
- Vial, G. (2019). Understanding digital transformation: A review and a research agenda. *The Journal of Strategic Information Systems*, 28(2), 118–144. <https://doi.org/10.1016/j.jsis.2019.01.003>
- Wang, B., Liu, Y., Qian, J., & Parker, S. K. (2021). Achieving effective remote working during the COVID-19 pandemic: A work design perspective. *Applied Psychology*, 70(1), 16–59. <https://doi.org/10.1111/apps.12290>
- Warner, K. S. R., & Wäger, M. (2019). Building dynamic capabilities for digital transformation: An ongoing process of strategic renewal. *Long Range Planning*, 52(3), 326–349. <https://doi.org/10.1016/j.lrp.2018.12.001>
- Zhou, X., Wang, Z., Zhan, M., & Wang, J. (2026). Digital transformation promotes employee thriving at work through job crafting while positive emotions strengthen this relationship. *Scientific Reports*, 16, 26540. <https://doi.org/10.1038/s41598-026-57278-8>
- Zhou, Y., Liu, Z., & Zhu, H. (2025). Linking HRM digitalization to employee thriving at work: A signaling theory perspective. *Asia Pacific Journal of Human Resources*. <https://doi.org/10.1111/1744-7941.70052>