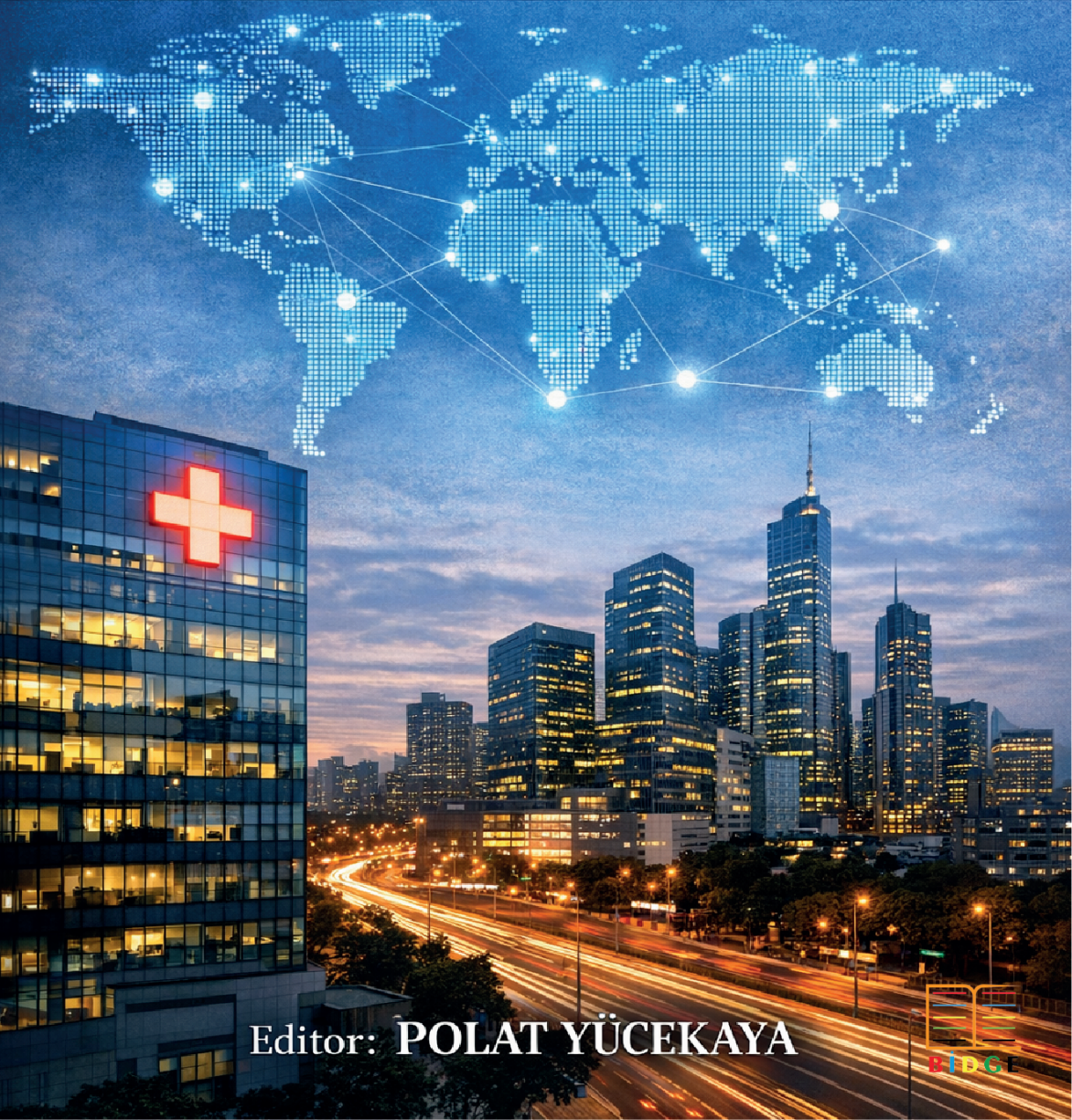


HEALTH MANAGEMENT IN THE GLOBALIZATION PROCESS:

TECHNOLOGY, HUMAN RESOURCES, AND
ORGANIZATIONAL TRANSFORMATION



Editor: **POLAT YÜCEKAYA**



BİDGE Yayınları

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www.bidgeyayinlari.com.tr - bidgeyayinlari@gmail.com

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FOREWORD

Healthcare services have historically formed the most important institutional structures of societies because they are one of the most fundamental needs of human life. However, in this century, healthcare systems are being reshaped not only by medical advances but also by globalization, digitalization, increased information flow, changing human resource structures, and organizational transformation processes. These dynamics of change necessitate the development of new approaches in healthcare management.

With the impact of globalization, healthcare services are no longer an area evaluated solely within national borders; they have transformed into a multidimensional structure where information, technology, human resources, and service models interact at an international level. Healthcare institutions must manage technological innovations and digital transformation while effectively utilizing qualified human resources and adapting to changing organizational dynamics. In this context, the scope of the healthcare management discipline is expanding, and managerial decision-making processes are becoming more complex and multi-layered.

The book you hold, titled “Healthcare Management in the Globalization Process: Technology, Human Resources, and Organizational Transformation,” aims to address this multifaceted transformation in the field of healthcare services from different perspectives. The book you hold, titled “Health Management in the Globalization Process: Technology, Human Resources, and Organizational Transformation,” aims to address this multifaceted transformation in the field of healthcare services from different perspectives.

The chapters in the book examine current issues related to human resources in healthcare institutions. Thus, the aim is to contribute to the healthcare management literature both theoretically and practically. The primary objective in preparing this work is to provide a current reference source for academics, researchers, healthcare managers, and graduate students working in the field of healthcare management. The topics covered in the book contain important insights for healthcare institutions to develop more effective, sustainable, and innovative management models in a changing global environment.

The emergence of scientific studies is not only the result of individual efforts but also of academic collaboration and collective work. Therefore, I would like to thank all the chapter authors who made valuable contributions to the preparation of this book and shared their academic knowledge and experience to make this work possible. I would also like to express my gratitude to the publishing house team for their support in bringing this work to readers.

I hope this book contributes to academic studies in the field of health management, provides new perspectives to managers working in healthcare services, and serves as an inspiring resource for future research.

Sincerely,

Assoc. Prof. Dr. Polat YÜCEKAYA

Editor

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CHAPTER 1

THE TRANSITION PROCESS FROM ORGANIZATIONAL CITIZENSHIP TO GLOBAL CITIZENSHIP IN HEALTH CARE ORGANIZATIONS AND THE ROLE OF TECHNOLOGY

Zuhal KAYA¹

Introduction

The concept of globalization refers to an important process that has become more prevalent in our daily lives, especially with the developments in communication opportunities (Kyove et al, 2021; Walter, 2021). In the past, reaching different countries, communities or segments in terms of communication and travel opportunities in terms of transportation were quite limited compared to today. In other words, today, it has become possible to travel internationally, move products logistically and interact in shorter periods of time in terms of communication compared to the past. As a result of this, global businesses have emerged (Konin et

¹ Academic Title: Lecturer, Institution: Haliç University Vocational School, Department/Program: First and Emergency Aid, İstanbul, Türkiye, ORCID: 0000-0002-3484-4979

al, 2020). Health is a type of service that is at the forefront of these global businesses and sectors. Since health services are the basic needs and rights of individuals, their costs are high and they are mostly mandatory rather than optional, the search for more appropriate, more effective and higher quality services in health services has become more common in the global environment.

In organizations, the commitment that an employee feels towards the organization turns into organizational citizenship after a while, and with the level of organizational citizenship, many concepts such as individuals' performance within the organization, their loyalty, and their attitudes towards the organization are positively affected by organizational citizenship (Qalati et al, 2022). From this point of view, it is possible to see organizational citizenship as one of the most important concepts that actually affect the performance and returns of individuals' basic business activities within the organization (Ali et al, 2022; Widarko and Anwarodin, 2022).

On the one hand, global markets require that the services offered and products or consumables used within businesses be supplied from global markets. This situation necessitates that businesses interact with global markets and actors not only in terms of the market but also in terms of their core activities (Autio et al, 2021; Kim et al, 2020). In this process, the increase in interaction between businesses globally and therefore the people working in them brings with it a global organizational psychology change and transformation. As a result, the concept of global citizenship stands out as a candidate concept to enter the literature today. It is possible to state that digital communication technologies constitute the fundamental and driving force in this entire transformation process.

The concepts related to social life and citizenship have a significant impact on the behavior of individuals within the organization and on organizational psychology patterns in general.

In order to better understand and manage organizational psychology with effective and efficient use of human resources in businesses, the process of transition to global citizenship and the factors that affect it must be understood. In this section, basic conceptual information about the role of technology in healthcare businesses while transitioning to global citizenship is provided.

The Concept of Global Citizenship

It is known that the historical process of the concept of global citizenship began with the Greek philosophers using the term global citizenship and the Stoic philosophy supporters giving it an identity through global laws and civic virtues. Socrates emphasizes that universal moral rules should be effective and people should act accordingly. The global citizenship view, which came to the fore again with the influence of the Renaissance, gradually gained depth in Enlightenment Europe (Aktaş ve Ayaydın, 2023).

In the second half of the 20th century, major technological developments not only enabled societies to access extensive information, but also initiated a process of change and development in many areas such as politics, society, culture, and economy. With this process of change and development, the world has become a global village, and globalization has become a controversial issue. In this process, the emergence of cosmopolitan ideas, the emergence of civil society centers, major changes in international law, the development of universal human rights, and problems that have emerged at the global level have enabled the cross-development of the concept of citizenship. In contrast to the concept of the nation state, the concept of borders, global citizenship that can understand the changing world and think internationally, has become the symbol of the transition to a transnational understanding (Özden and Karadağ, 2021).

The world is going through a transformation process in which economic, social, cultural and political interactions between societies and states are intensifying. However, the existence of problems that do not recognize borders and threaten the common future of societies has led to the emergence of a global problem that transcends the borders of nation states. These situations have led to an increase in interest in global problems and the development of global approaches to these problems. In this context, approaches that assign global roles and responsibilities to individuals have been developed within various international organizations and non-governmental organizations (Türk and Atasoy, 2021).

Developments in social, cultural and economic fields have carried the concept of citizenship beyond the nation and led to the emergence of global citizenship behavior. It can be said that people's sensitivities have gone beyond national problems in the process of developing attitudes and behaviors related to global citizenship. Global Citizenship Behavior; It is defined as having knowledge about global powers and the effects of these powers on human life, understanding culture and cultural differences, being able to analyze world problems from different perspectives and developing new ideas about the world. Global citizenship is related to the ability to see and understand the world and requires taking an active role in problem solving. Currently, global citizenship behavior; It addresses the issues that need to be addressed in order to create a fair, just and sustainable world. Global citizenship is also different from citizenship defined as international citizenship. Because international citizens claim that they have the right to travel around the world, use resources, influence cultures and benefit from opportunities, but this does not mean that they accept any responsibility (Bana, 2020).

Changing the concept of citizenship is one of the attempts to find solutions to existing problems. The concept of global

citizenship, which we often hear today, also reflects this change. With the rise of globalization, the concept of global citizenship has also begun to be discussed. The concept of globalization has different ideological and intellectual structures; It is defined in various ways with its results, purposes and meanings associated with it. This naturally shapes their understanding of global citizenship. Global citizenship manifests itself with various interpretations and definitions that cannot be agreed upon in its definition and goals. Globalization from above is a hegemonic, dominant form, consumer-oriented and identified with political elites and transnational businesses. Globalization from below is an activism that responds to this understanding (Karatekin, 2021).

Global citizenship is a new citizenship discourse that has emerged as globalization and citizenship have moved beyond the nation-state to include global forms. Global citizenship, in which citizenship is intertwined with local, national and global dimensions, has gained the status of a global education policy alongside lifelong learning and has been adopted as a goal of school education in many countries through school subjects such as citizenship and social studies (Tünkler, 2020).

It includes important practices for people facing significant challenges in global issues or future global citizens to access global information, understand events, and gain global awareness and global social responsibility to cope with these challenges. In addition, people called global citizens are expected to know, read and understand current political, social and economic issues in order to act in accordance with this identity. Global citizenship emphasizes the social responsibilities of people who are not only interested in global issues, but also are aware of their responsibilities, are aware of being part of a global society and make efforts and actions in this direction. Thus, people with global citizenship skills; It is a civic duty to know, accept, understand the

world you live in and work for a better world. A person with global citizenship skills will join society as an effective and successful role model person both locally and globally. These qualities, which follow world events, evaluate them with their own thought system and act with the awareness of being part of a global society, will certainly serve a more livable world (Kantar and Bulut, 2022).

Organizational citizenship behavior means that employees voluntarily do more than what is expected of them, which increases organizational effectiveness, is performed without expectation of any reward or recognition, is not included in job descriptions and therefore is not subject to any sanctions if not done. . Organizational citizenship behavior has three basic characteristics. The behavior is voluntary, the behavior is not included in the scope of reward or sanction, and the effectiveness of the organization increases as a result of the behavior exhibited. Many issues have been identified regarding organizational citizenship behavior (Çevik ve Can, 2020).

Organizational and Global Citizenship in Healthcare Organizations

Human resources behavior determines the achievement of organizational goals. The behavior patterns exhibited by human resources in an organizational environment are classified in the literature as formal and non-role behaviors. In an organization, voluntary role behavior is as important as the formal role behavior required by the hierarchy. These behaviors, defined under various names based on voluntary role behavior throughout the process, are now called organizational citizenship behavior. Such behaviors represent individual behaviors that are not clearly defined by a formal reward system, are not coercive, and increase the effectiveness of organizational functions (Göksal, 2022).

The development of the concept of organizational citizenship behavior is examined in two periods. The first period began in the 1930s and continued until the 1980s, while the second period is a process that continues from the 1980s to the present. It is now accepted that the foundations of organizational citizenship behavior are based on the research of Roethlisberger and Dixon, who worked on Barnard's ideas and the results of the Hawthorne experiments, and the ideas put forward in the studies of Katz and Kahn are also accepted. It is seen as the beginning of organizational citizenship behavior with the open system organization model (Eroğluer, 2020).

Organizational citizenship behavior is a profound contribution that goes beyond the demands of workplace roles and brings rewards from companies based on tasks completed. Organizational citizenship behavior is the key to organizational success (Purwanto et al, 2021).

In order for organizations to survive in a constantly changing environment, they need employees who go beyond the boundaries set by formal job descriptions and are willing to contribute to the effectiveness and development of the organization. In addition to these needs-oriented and role-specific behaviors, voluntary and extra-effort behaviors are also called organizational citizenship behaviors. When viewed at the individual level, organizational citizenship behavior is an action based on individual effort, but when transferred to the organizational level as a collective, it makes a significant contribution to organizational effectiveness. Organizational citizenship behavior includes positive behaviors that can help an organization, management, group or individual (Güneş and Küçüksüleymanoğlu, 2020).

Organizational citizenship behavior is the behaviors that members of an organization do of their own free will, without

expecting any formal reward and solely for the purpose of ensuring the effective survival of the organization. Organizational citizenship behavior is behaviors that are not included in the job descriptions of employees and that arise as a result of personal desires. The concept of organizational citizenship is that employees strive to be more useful to the organization by doing more than their own responsibilities (Derin et al, 2020).

Organizational citizenship behavior is the additional role behavior that individuals exhibit within an organization beyond the responsibilities expected of them by their positions. Teachers' extra role behaviors are behaviors that involve taking a more active role in activities aimed at achieving operational and educational goals; for example, helping students who are late prepare for exams, helping colleagues prepare lessons, participating in committee work (Çelik ve Üstüner, 2020).

Impacts of Technology on Organizational and Global Citizenship in Healthcare Organizations

Since healthcare services vary from country to country in terms of both technological level and costs and economic processes, communication plays a very important role. In addition to marketing healthcare services through digital channels, technology also plays an important role in the production and delivery of healthcare services. When evaluated from this perspective, technology has an important role in healthcare businesses in terms of both digital marketing and communication, and in terms of preference and reputation, in globalization and therefore in global citizenship.

Since different prices and processes are available in different countries in healthcare businesses, there is a market structure where markets are effective in a global sense. This situation determines both the communication between patients and

their relatives and marketing personnel in terms of marketing the services, and the communication and interaction with the medical team providing healthcare services. Therefore, globalization has become inevitable in healthcare services, both in the production, presentation and marketing of services, and global markets have increasingly had an impact on global citizenship. In addition to these direct effects, the fact that individuals coming to the country within the scope of health tourism communicate and interact with other people also shows that there are important effects on globalization in healthcare services indirectly. In this whole process, technology makes serious contributions to globalization and global citizenship in terms of communication and transportation.

Since the quality and success of the service provided in health services are closely related to technology, technology in health services is also a matter of preference in the context of globalization. Individuals prefer countries with advanced technology and high accumulation, more different and modern alternatives, and a high level of science. This situation reveals that technology has an important and decisive role not only in terms of communication and transportation, but also in terms of the production and delivery of health services. In general, it is possible to say that globalization in health is more in countries with advanced technology levels and advanced health services.

In the context of organizational citizenship, it is possible to say that countries with high technology in the field of health have more global interaction and this is reflected more in global citizenship. Because although communication and transportation opportunities are important, it is possible to say that the determining factor is more in health technologies. When it is considered that in countries with low health technologies, the markets with the lowest cost of access and the easiest

communication are usually domestic markets, the technological reasons for turning to foreign markets in health are actually more dominant. In countries with advanced technology health services, countries with low cost, easy communication and easy access are preferred for simpler, lower-technology health services. Therefore, in both cases, technology emerges as the most important and fundamental determinant in terms of globalization and global citizenship awareness.

Conclusion

In general, according to the effect of technology on health services and its relationship with globalization, technology has a vital role in the global context, both in terms of health service production and delivery, and the interaction between them. In fact, technology is one of the main reasons for health tourism directly, both in terms of costs and the end services provided. People enter global markets and engage in health tourism either to receive cheaper but high-quality health services, or to receive advanced technological health products that have no alternative, even if they are very expensive. In both of these, they choose countries with strong communication and accessibility in order to receive cheap services. In this process, technology triggers globalization through its sub-branches of communication and transportation technologies. In terms of advanced health technologies, especially in rare and dangerous diseases with high mortality rates, the selection criterion itself is directly technology.

Regardless of the cause and effect, technology is both the main driving force and the reason for globalization in healthcare organizations. Basic theories related to organizational psychology conduct studies that reveal the determining role of the social environments in which individuals live and their effects on their psychological health. The common point of these studies is that the

social environment in which individuals live has a significant effect on organizational behavior. Therefore, the role of technology in the changing social structure roles, identities and the bilateral relations between them in the environment created by globalization needs to be better understood and interpreted. In this way, it may be possible for individuals within the organization to work more effectively and efficiently both as a social environment and living standards and as an indicator of their commitment to their jobs and organizations.

Unlike other sectors, health, especially in rare and dangerous diseases, where treatment is offered in a very rare and niche way, is not an optional but a mandatory reason for globalization. Globalization in health seems more mandatory and inevitable than other areas, both in terms of economic dimensions and social and humanitarian aspects. Therefore, it seems inevitable that the organizational citizenship of employees working within the organizational structure in health institutions will change due to technological differences. In more general terms, it seems inevitable that employees working in health institutions will transition from organizational citizenship to global citizenship due to technology and globalization.

As a result, globalization is not a choice for healthcare businesses, but a necessity. In this process, technology needs to be closely monitored, adapted and managed in order to use the changing human resources structure more effectively, to strengthen other components of human capital against any negative situation, and to use them more effectively and efficiently. To do this, first of all, the concept of globalization and global citizenship needs to be understood, awareness needs to be developed within the business and organization, and the necessary guidelines need to be implemented. However, in this process, business management alone may be insufficient and may need serious support, especially

from literature and public administration. Therefore, more studies and research are needed on global citizenship, especially in healthcare businesses.

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CHAPTER 2

HUMAN RESOURCE GATEKEEPING AND THE SYSTEMATIC UNDERUTILIZATION OF CROSS-BORDER PROFESSIONALS

ONUR EMRE¹

Introduction

International mobility of high skilled professionals has intensified in recent years, particularly among white-collar workers in knowledge-intensive sectors. This increase is commonly explained through macroeconomic factors such as labor shortages, wage differentials, and global talent competition. Such explanations miss a critical institutional mechanism. Human resource systems function as gatekeeping structures that systematically underutilize professional capacity both before in the origin country and after international migration in the destination country.

This paper advances a dual-failure argument. First, HR systems in origin countries fail to adequately recognize, utilize, and reward high skilled professionals, creating mobility pressures independent of or in addition to economic motives in the origin country. Second, HR systems in destination countries reproduce these failures through gatekeeping mechanisms that prevent

¹ Dr. Öğr. Üyesi, İstanbul Okan Üniversitesi, Orcid: 0000-0002-6956-9487

integration of international talent, even when economic conditions are relatively better for utilization. With this logic we can isolate the case from the effects of other economic factors and argue that immigration does not resolve HR underutilization, it shifts the problem across borders.

Economic conditions establish broad parameters within which organizations operate, but HR systems in a country translate these parameters into operational decisions about who gets hired, how performance is assessed, and which contributions are rewarded. This translation process involves institutional logics, professional norms, organizational routines, assumptions about legitimate expertise. These tend to introduce systematic biases that are not reducible to economic rationality. HR practices thus exhibit substantial autonomy from economic signals while remaining embedded in economic structures that condition their operation.

For the purposes of this study, HR gatekeeping takes multiple forms. At entry, recruitment systems privilege locally recognizable credentials and domestically legible career trajectories. During employment, which is underemployment most of the time, performance evaluation assesses contribution relative to initial role placements rather than latent capacity. Reward systems reinforce early categorizations through compensation structures that anchor professionals to entry-level classifications and salary bands.

Critically, these mechanisms operate even in contexts explicitly designed to attract international talent. Germany's skilled immigration programs, Canada's points-based selection, and the United States' H-1B framework all aim to facilitate high skilled mobility, yet they can produce systematic credential devaluation and occupational downgrading. The variation across these cases reveals how different HR configurations generate distinct gatekeeping forms while producing convergent outcomes: sustained underutilization of internationally mobile professionals.

This chapter makes three contributions to human resource management scholarship. Conceptually, it synthesizes insights from internal labor market theory (Doeringer & Piore, 1971), credentialism (Collins, 1979), and institutional isomorphism (DiMaggio & Powell, 1983) into an integrated gatekeeping framework that explains how HR systems regulate access to valued positions across borders. While internal labor market theory explains how organizations structure career mobility within firms, it typically assumes these systems optimize talent allocation. Credentialism scholarship demonstrates how educational qualifications function as sorting mechanisms but focuses primarily on initial labor market entry. Institutional theory explains organizational field convergence but does not specifically address international mobility contexts. This framework advances beyond these perspectives by demonstrating how credential filtering, performance framing, and reward anchoring operate as interconnected mechanisms that systematically misallocate internationally mobile professionals both before and after migration, producing transnational underutilization, which is the persistence of capacity-role mismatches despite border crossing.

Theoretically, it extends strategic HRM by demonstrating how organizational practices designed to ensure internal equity and reduce hiring risk systematically produce categorical stratification (Wright & McMahan, 1992). This reveals a fundamental tension in HR systems: practices optimize for legitimacy and consistency at the cost of talent utilization. When equity concerns, risk aversion, and credential protection override efficiency goals, gatekeeping persists despite economic conditions that would support integration.

Empirically, it synthesizes comparative evidence across Germany, Canada, and the United States to show how institutionally distinct HR configurations produce convergent underutilization outcomes. This cross-national synthesis demonstrates that

gatekeeping operates with substantial autonomy from economic conditions, and that immigration policy reforms cannot overcome destination country HR gatekeeping without institutional redesign of recruitment, evaluation, and reward systems.

Methodologically, this study employs theory-driven synthesis to explain how HR gatekeeping operates across institutional contexts. Germany, Canada, and the United States were selected as comparative cases because they represent distinct HR institutional configurations while sharing key scope conditions: formalized HR systems, active skilled immigration recruitment, and substantial underutilization of immigrant professionals. This variation enables analytical generalization about gatekeeping mechanisms while revealing how different institutional logics produce convergent outcomes.

This study focuses specifically on occupational underutilization as the primary outcome of HR gatekeeping, defined as employment in positions that fail to utilize the education level, skills, or prior occupational status of internationally mobile professionals. While related phenomena such as wage penalties and delayed career progression are discussed as consequences of underutilization, the theoretical framework centers on how HR gatekeeping mechanisms produce and sustain mismatches between professional capacity and organizational role assignment. The analysis applies to knowledge workers in white-collar occupations where credentials, performance evaluation, and internal labor markets structure employment outcomes; settings where HR systems exercise substantial gatekeeping authority. The framework may have limited applicability to labor market segments with minimal credentialing requirements or where informal hiring dominates.

This chapter proceeds in several sections. Section 2 establishes the theoretical relationship between economic constraints and HR gatekeeping, clarifying how these interact

without reducing one to the other. Section 3 examines origin country gatekeeping that generates emigration pressures. Section 4 analyzes destination country gatekeeping, comparing Germany, Canada, and the United States. Section 5 documents how initial gatekeeping becomes self-reinforcing through cumulative organizational processes. Section 6 examines institutional variation in gatekeeping and possibilities for redesign.

By foregrounding HR gatekeeping as a driver of international mobility, this analysis shifts attention from individual characteristics to organizational practices that structure opportunity, reveals immigration as displacement rather than solution to HR failures, and demonstrates that reducing gatekeeping requires deliberate institutional redesign.

2. Economic Constraints and HR Gatekeeping: A Theoretical Framework

The relationship between economic conditions and employment practices is typically understood through market mechanisms, where firms facing skill shortages raise wages and relax hiring standards. However, comparative evidence reveals that highly skilled immigrants experience sustained occupational downgrading even during labor shortages, suggesting HR gatekeeping operates with substantial independence from economic signals while remaining embedded in economic structures.

2.1 Economic Constraints as Boundary Conditions

Economic constraints establish broad parameters: labor market tightness determines hiring urgency, productivity requirements define minimum competency thresholds, competitive pressures influence wages. These factors are consequential, but they operate as boundary conditions rather than deterministic mechanisms. They define what is economically sustainable but not what HR systems actually do within those boundaries.

Empirical evidence demonstrates this institutional mediation. Employment gaps and wage differentials vary dramatically even among OECD countries with similar GDP levels, labor market conditions, and sectoral compositions (Bevelander, 2020). Within countries, variance across firms in the same industry facing identical economic conditions further reveals the role of organizational-level HR practices (Carneiro et al., 2012). These patterns indicate that HR systems introduce systematic variation that cannot be explained by economic factors alone.

2.2 HR Systems as Gatekeeping Mechanisms

Gatekeeping refers to institutional processes regulating access to valued positions. HR systems function as gatekeepers by determining which qualifications are recognized as legitimate, which experiences count as relevant, and which performances are deemed promotable (Almeida et al., 2015). These determinations are not neutral technical assessments but institutionally embedded practices shaped by professional norms, organizational routines, and taken-for-granted assumptions about what constitutes credible expertise (Ortlieb & Sieben, 2013).

Gatekeeping operates through three interconnected mechanisms:

The first is credential filtering, where recruitment prioritizes locally recognized qualifications, familiar employers, and institutionally legible career patterns. Foreign educational credentials and non-standard trajectories trigger uncertainty, leading to conservative assessments defaulting to underplacement or rejection (Bauder, 2003; Guo, 2009).

The second is performance framing. Evaluation systems assess contribution relative to assigned roles rather than demonstrable capacity, creating path dependency. Professionals recruited into junior positions are evaluated against junior

expectations, limiting opportunities to demonstrate broader capabilities (Zikic et al., 2010).

The third is reward anchoring, which compensation aligns with role classifications rather than individual contribution. Even when performance exceeds expectations, movement to higher pay bands requires formal reclassification, a process organizations resist as burdensome and disruptive to internal equity.

In this analysis, “HR systems” are not treated as a single organizational actor but as a multi-level institutional arrangement through which employment decisions are produced and stabilized. Analytically, three interrelated levels can be distinguished.

First, at the organizational level, firms implement recruitment, performance evaluation, and reward practices that directly allocate individuals to roles, grades, and pay bands. These practices constitute the immediate mechanisms through which gatekeeping is enacted.

Second, at the field level, professional associations, licensing bodies, and credential-recognition institutions define the criteria of legitimate expertise and regulate access to occupations. These actors do not hire directly but shape organizational HR decision-making by constraining what qualifications are considered acceptable or equivalent.

Third, at the regulatory level, immigration and labor market institutions structure the decision space within which organizational and professional actors operate. Immigration law does not function as an HR actor per se, but as an enabling or constraining condition that organizations and professional bodies strategically deploy in gatekeeping processes.

Gatekeeping emerges from the interaction of these levels rather than the intentions of any single actor. Organizational HR

practices operationalize field-level credential norms within regulatory constraints, producing durable patterns of underutilization even when no individual decision-maker explicitly intends exclusion.

These mechanisms operate cumulatively, producing not temporary mismatch but systematic and durable underemployment. In this analysis, HR systems are not treated as firm-internal departments alone, but as distributed institutional arrangements spanning organizational practices, professional regulation, and legal constraints. Firms implement recruitment, evaluation, and reward practices within decision spaces structured by professional licensing regimes, credential recognition systems, and immigration law. Gatekeeping therefore emerges not from a single actor, but from the interaction of multiple institutions whose combined effect regulates access to valued organizational positions.

2.3 Why Gatekeeping Persists

Gatekeeping persists despite apparent economic inefficiency because it serves a set of institutional functions that organizations prioritize over optimal allocation. One such function is risk aversion under conditions of uncertainty, where standardized credentials operate as heuristics that reduce decision-making complexity when information is imperfect. Foreign credentials introduce ambiguity that organizations resolve conservatively through underplacement rather than investment in assessment, reflecting a logic that prioritizes avoiding costly hiring errors over maximizing talent utilization.

Persistence is further reinforced by internal equity considerations. Recognizing foreign credentials as equivalent to domestic qualifications, or placing internationally recruited professionals above domestically recruited peers with similar tenure, threatens perceived fairness among incumbents. Organizations

therefore prioritize internal legitimacy and equity maintenance over optimal placement of new hires, even when this produces aggregate underutilization.

Finally, gatekeeping is stabilized through institutional diffusion and professional closure. HR practices circulate through professional networks, consulting firms, and enterprise software platforms, producing convergence around common screening and classification mechanisms (DiMaggio & Powell, 1983). In occupational labor markets, professional associations actively defend credential standards and licensing regimes that protect incumbents from competition while generating collective status and economic rents (Weeden, 2002).

To avoid both economic reductionism, in which HR practices are treated as direct reflections of market forces, and institutional determinism, in which HR operates independently of economic conditions, this framework conceptualizes the relationship between economics and HR as one of embedded autonomy. HR systems function within economic constraints but retain substantial discretion in how those constraints are interpreted and translated into employment outcomes. Economic conditions are therefore necessary but insufficient for explaining patterns of gatekeeping.

One way this interaction operates is through the role of economic conditions in shaping the costs and benefits associated with gatekeeping. Periods of labor market slack reduce hiring urgency and expand applicant pools, enabling organizations to impose stricter screening and classification criteria. Skill shortages, by contrast, increase pressure to relax gatekeeping, but they do not compel such change. Comparative evidence from this study shows that gatekeeping persists even under conditions of documented shortage, indicating that economic pressures alter incentives without determining organizational responses.

Economic structures also provide resources that HR systems can deploy in the service of gatekeeping, even though these structures are not created by HR itself. Visa-based employment sponsorship in the United States generates forms of monopsony power that organizations leverage through wage suppression and mobility restriction (Naidu, Posner, & Weyl, 2018). Similarly, dual labor market arrangements in Germany create structural segmentation that HR systems operationalize through differentiated contract types and employment statuses (Garz, 2013; Eichhorst & Tobsch, 2015). In both cases, the consequences for internationally mobile professionals depend less on the existence of these economic structures than on how HR practices activate and institutionalize them.

Finally, HR gatekeeping advances institutional interests that are economically consequential but not oriented toward efficiency maximization. Protecting incumbent workers sustains internal legitimacy and reduces turnover costs, while credential standardization lowers hiring uncertainty even when it excludes qualified candidates. Professional closure further generates economic rents for credential holders and symbolic status for licensing bodies (Weeden, 2002). These interests are economic in effect, yet they prioritize stability, legitimacy, and control over optimal talent allocation.

Taken together, this framework positions economics and HR as analytically distinct yet mutually constitutive. Economic conditions establish parameters and supply structural resources, but HR systems determine how those parameters and resources are translated into employment outcomes for internationally mobile professionals. Gatekeeping persists when institutional interests related to equity, legitimacy, risk reduction, and professional closure are prioritized over allocative efficiency, and when organizations

possess sufficient economic slack or market power to sustain these priorities.

2.4 Implications for International Mobility

This framework reframes international mobility as rational response to dual gatekeeping failures operating across borders. Professionals emigrate when origin country HR systems fail to utilize their capacity, seeking contexts where skills might be more accurately recognized. However, destination country HR systems reproduce gatekeeping through mechanisms privileging local credentials and domestically legible experience. Immigration does not solve underutilization; it relocates the institutional problem while often intensifying it, as foreign credentials face even greater devaluation than domestic credentials did in origin countries (Batalova, Fix, & Bachmeier, 2016). This creates conditions for repeated mobility. When destination country gatekeeping prevents integration, professionals pursue secondary migration, occupational switching, or return migration in search of contexts with less restrictive HR practices (Institute for Canadian Citizenship & Conference Board of Canada, 2024).

3. Gatekeeping in Origin Countries

Understanding mobility requires examining HR failures in origin contexts. Professionals emigrate not solely for higher wages but because domestic HR systems systematically underutilize their capacities through institutional mechanisms that block merit-based access and advancement.

3.1 Credential Inflation and Underemployment

In many emerging and middle-income economies, higher education expansion has outpaced labor market absorption capacity, producing credential inflation where tertiary degrees become necessary for positions previously requiring only secondary

education. Research on India, Turkey, Egypt, and the Philippines documents prolonged job search periods not because positions are unavailable, but because available positions do not utilize education levels (Tansel & Taşçı, 2010).

This underemployment is not economically determined but institutionally produced. Organizations face genuine skill needs but fail to translate them into appropriate job designs, relying instead on seniority-based advancement and network-based recruitment that crowds out merit-based allocation. For individuals, persistent underutilization creates emigration incentives, as international mobility offers the possibility that foreign HR systems might more accurately recognize qualifications; an expectation often disappointed, as subsequent sections document.

3.2 Network-Based Recruitment and Exclusion

Where formal HR systems are weak or poorly institutionalized, recruitment operates through personal networks and informal referrals. Network-based hiring dominates many developing economy labor markets, creating substantial barriers for professionals changing sectors or returning from international education, regardless of qualification.

This network-based gatekeeping generates particular frustration among highly skilled professionals who invested in education precisely to access positions through merit. When domestic HR systems fail to provide such pathways, emigration to contexts with more formalized, ostensibly meritocratic recruitment becomes attractive though destination countries impose their own forms of gatekeeping, as Section 4 demonstrates.

3.3 Public Sector Rigidity and Private Sector Instability

In many origin countries, labor markets bifurcate between rigid public sectors and precarious private sectors. Public positions

offer stability but operate through seniority systems and political patronage making entry difficult. Private positions may better utilize skills but offer minimal security and uncertain career progression. Skilled emigrants cite not low wages but employment instability and blocked advancement as primary push factors.

Immigration to countries with robust private labor markets appears to offer resolution. However, as subsequent sections document, destination country HR systems impose their own gatekeeping mechanisms focused on local credentials and domestic experience that reproduce underutilization in new institutional forms.

3.4 Institutional Mechanisms Underlying Origin Country Gatekeeping

The patterns described above reflect specific institutional deficits in origin country HR systems. Three mechanisms merit emphasis: Weak professionalization of HR function: In many emerging economies, HR remains primarily an administrative function focused on payroll and compliance rather than strategic talent management (Budhwar & Debrah, 2001). This limits organizational capacity to implement competency-based assessment, structured interviews, or performance management systems that could reduce network dependency and credential inflation effects. Institutional voids in credential signaling: Where educational quality varies dramatically across institutions and public information about program rigor is limited, employers cannot reliably distinguish credential quality (Khanna & Palepu, 1997). This creates adverse selection problems that employers address through network hiring or credential inflation rather than direct skills assessment. Labor market dualization without mobility bridges: The public-private divide creates segmented markets with minimal lateral mobility mechanisms. Unlike internal labor markets in coordinated

economies that provide structured progression, or flexible labor markets that enable occupational switching, dualized systems trap professionals in whichever segment they initially enter (Rueda, 2005). These institutional deficits interact: weak HR professionalization prevents organizations from addressing credential signaling problems, while dualization limits the value of investing in HR capacity development. Emigration becomes rational not because foreign labor markets are necessarily more efficient, but because they offer institutional alternatives even if those alternatives impose their own forms of gatekeeping.

4. Gatekeeping in Destination Countries: Comparative Institutional Analysis

Destination-country HR systems impose gatekeeping that prevents the integration of internationally mobile professionals even when immigration policies explicitly target skilled talent. While the general outcome of underutilization is consistent across contexts, the mechanisms through which gatekeeping operates vary systematically by institutional configuration. In Germany, gatekeeping reflects a protectionist logic rooted in occupational closure; in Canada, it operates through credentialism with pronounced rent-seeking dimensions; and in the United States, it emerges through stratification based on legal status. Comparing these cases illustrates how distinct HR configurations generate different gatekeeping mechanisms while producing convergent outcomes of underemployment and constrained mobility.

Germany, Canada, and the United States are selected because they are prominent destinations for highly educated white-collar migrants in advanced economies and exhibit highly formalized HR and credentialing systems. Although they differ substantially in labor market regulation and credential recognition regimes, all three actively attract skilled migrants and rely on standardized HR

practices to allocate labor within organizations. This makes them suitable cases for examining how similar gatekeeping outcomes are produced through different institutional logics.

4.1. Germany

Germany operates one of the most institutionally rigid HR systems among advanced economies, organized around the *Berufskonzept* (occupational principle), which structures labor markets through nationally standardized occupational categories with precisely defined qualification requirements (Estévez-Abe, Iversen, & Soskice, 2001). Within this system, foreign credentials face systematic non-recognition rooted less in quality assessment than in institutional incompatibility. Credentials acquired in different educational and training systems are difficult to map onto Germany's occupation-specific certification structure, resulting in exclusion from standard career tracks.

As a consequence, many skilled immigrants enter employment through temporary agency work (*Zeitarbeit*), which offers substantially lower wages for identical tasks and limited pathways to permanent status. Empirical evidence shows that temporary workers convert to permanent contracts at much lower rates than German workers, even when performing comparable work (Lehmer & Ludsteck, 2011). These outcomes are produced through formal organizational rules that link permanent employment eligibility to credential recognition and language certification, creating structural barriers that operate independently of individual performance or capability.

This pattern reflects a broader institutional commitment to occupational closure and credential standardization. Gatekeeping protects incumbent workers from wage competition, preserves the integrity of the vocational training system, and sustains the institutional architecture of coordinated market economies.

Professional chambers (Kammern) and employer associations retain authority over credential recognition and occupational standards, using this authority to regulate labor supply and maintain occupational status. As a result, incumbent protection is prioritized over talent utilization, producing persistent underemployment even during documented skill shortages and demonstrating how institutional interests override economic signals.

4.2 Canada

Canada's immigration system relies on points-based selection to attract highly educated professionals, signaling openness at the policy level. This openness, however, coexists with HR-level gatekeeping that generates some of the highest rates of skilled-immigrant underemployment in the OECD, reflecting institutional rent-seeking through credentialing practices. Despite federal competency frameworks, provincial licensing bodies and employer norms privilege Canadian credentials and "Canadian experience," systematically disadvantaging foreign-trained professionals.

Immigrants with foreign credentials earn substantially less than comparable native-born workers, even after controlling for language proficiency and years of residence (Wald & Fang, 2008). The requirement for Canadian experience produces circular gatekeeping, as employers demand local experience while denying immigrants the opportunity to acquire it. Empirical evidence shows that in 2006, 28% of recent immigrant men and 40% of recent immigrant women with university degrees were employed in jobs requiring at most a high-school education, compared to 10% and 12% of native-born Canadians, respectively (Galarneau & Morissette, 2008).

Professional licensing bodies further reinforce underutilization by imposing lengthy recertification processes that often require enrollment in Canadian educational programs, even for

credentials obtained in countries with equivalent or superior training systems (Girard & Bauder, 2007). These requirements generate tuition revenue for educational institutions and assessment fees for licensing bodies, effectively functioning as a credentialing tax on foreign-trained professionals. Mandatory bridging programs reproduce training immigrants have already completed, imposing substantial personal costs while generating institutional profit.

This configuration reflects a tension between federal immigration objectives and provincial-level gatekeeping. While immigration policy selects highly skilled individuals, professional associations protect incumbents from competition, educational institutions capture enrollment through recertification mandates, and licensing bodies generate revenue through assessment processes. The result is structural policy–practice decoupling in which gatekeeping is not incidental friction but an institutionalized and profitable design, even when economically inefficient.

4.3 United States

The United States operates a comparatively market-oriented HR system characterized by at-will employment and high labor mobility. Occupational licensing exists but is less pervasive than in coordinated market economies. In this context, credential origin plays a smaller role in recruitment, particularly in sectors such as technology where employers rely on standardized skills assessments rather than formal qualifications. Research comparing immigrant engineers across firms shows smaller wage gaps and higher promotion rates in organizations that assess competence directly, indicating that credential-based gatekeeping diminishes when HR systems can evaluate skills independently.

Despite this flexibility, gatekeeping in the United States operates through visa-based stratification. Employer-sponsored visas, particularly the H-1B, tie legal status to a specific employer,

eliminating job mobility and suppressing wages. H-1B workers earn approximately 18% less than comparable native-born engineers, a gap that persists within firms and cannot be explained by productivity differences (Depew, Norlander, & Sørensen, 2017). This pattern reflects monopsony power rather than skill deficits, as workers cannot credibly threaten exit (Naidu, Posner, & Weyl, 2018).

Once visa constraints are lifted through permanent residency or naturalization, immigrant–native wage gaps narrow substantially, indicating that gatekeeping operates primarily through legal status rather than credential non-recognition. However, the path to permanent residence can take five to fifteen years depending on country of origin, during which highly skilled professionals remain in constrained positions. In this context, gatekeeping reflects an extractive institutional logic in which firms leverage immigration law to capture value through wage suppression and mobility restriction, rather than protecting occupational boundaries or extracting rents through credentialing.

5. The Self-Reinforcing Dynamics of Gatekeeping

Gatekeeping mechanisms do not operate as discrete barriers that, once overcome, grant full access. Initial decisions become self-reinforcing through HR processes that stabilize early categorizations and prevent upward reclassification, producing cumulative disadvantage over time.

5.1 Recruitment

Initial recruitment determines categorical placement within organizational hierarchies. For internationally mobile professionals, this typically means assignment below demonstrated capacity due to conservative risk assessment of foreign credentials. This

underplacement may not be temporary. Entry-level assignments strongly predict long-term trajectories because performance evaluation and promotion are calibrated to role levels rather than individual capacity (Rivera, 2012, 2015).

HR systems lack mechanisms for reassessing foundational recruitment decisions. Reclassification processes exist in principle but are rarely invoked because they disrupt internal equity, require managerial justification, and threaten established career ladders. Organizations prioritize consistency in role definitions and compensation structures over correcting individual misallocations, creating candidates to lock-in where initial placements become durable regardless of subsequent performance.

5.2 Performance Evaluation

Performance systems assess employees relative to role-specific expectations rather than demonstrable potential. Employees in junior roles are evaluated against junior-level criteria, limiting opportunities to demonstrate broader capabilities (Cappelli & Keller, 2014). Even when performance significantly exceeds expectations, organizations often frame this as excelling at current level rather than evidence warranting reclassification. Evaluators use performance data to justify existing organizational hierarchies, interpreting strong performance as confirmation of appropriate placement rather than an indication of underplacement (Murphy, 2020).

Moreover, access to high visibility projects and developmental assignments is determined by current role level, creating circular constraints (Dragoni, Tesluk, Russell, & Oh, 2009): professionals cannot demonstrate advanced capabilities because they are not given opportunities requiring such capabilities, and they are not given such opportunities because their role classification suggests they lack such capabilities. This circularity transforms temporary underplacement into permanent categorical assignment.

5.3 Reward Systems

Compensation structures materialize categorical assignments economically. Salary bands align pay with role classifications rather than individual contribution (Gerhart & Rynes, 2003). For underplaced professionals, compensation ceilings limit income growth regardless of performance quality. Access to bonuses, equity compensation, and benefits is restricted to higher organizational grades, further widening gaps between contribution and recognition.

Studies of IT professionals show immigrant engineers earn less than native-born peers in identical roles at the same firms, controlling for education and experience (Depew, Norlander, & Sørensen, 2017). This gap reflects not productivity differences but salary band assignments determined by initial recruitment decisions that evaluated foreign credentials conservatively. Over time, accumulated compensation differences compound, producing substantial lifetime earnings penalties even when performance quality is equivalent.

5.4 Why Organizations Don't Correct Misallocations

Even when performance evaluations indicate that initially underplaced professionals exceed role expectations, organizations rarely revise these assignments. Early role placements establish cognitive reference points that guide how subsequent performance is interpreted, such that strong outcomes are read as exceptional performance within the assigned role rather than as evidence of categorical misplacement (Tversky & Kahneman, 1974). Corrective action is further constrained by the organizational costs of reclassification, which typically requires coordination across HR, line management, and compensation systems, formal justification, and the management of precedent-setting implications that organizations tend to avoid (Hannan & Freeman, 1984). In addition, upward reclassification of immigrant professionals often triggers

distributional concerns, as adjustments are perceived to disrupt implicit seniority hierarchies and relative equity among domestically recruited peers with comparable tenure. Together, these dynamics explain why performance-based information does not reliably translate into reclassification, allowing temporary underplacement to harden into a durable categorical assignment.

5.4 Cumulative Disadvantage and Adaptive Responses

Self-reinforcing gatekeeping produces cumulative disadvantages over time (Wahrendorf, Hoven, Goldberg, & Siegrist, 2020). Initial underplacement leads to constrained performance opportunities, limiting visible achievements, justifying continued lower-level placement, restricting compensation growth, and reducing access to developmental resources. Each stage reinforces the previous, creating trajectories that diverge increasingly from potential.

This generates several adaptive responses: organizational exit and labor market churning (seeking employers who might assess capacity more accurately), occupational switching (abandoning fields where foreign credentials face heavy discounting), secondary international mobility (pursuing migration to third countries or return to origin), or credential supplementation (investing in local degrees to overcome foreign credential penalties). Each response represents adaptation to gatekeeping rather than its resolution. The fundamental problem HR systems that fail to accurately translate professional capacity into appropriate organizational roles remains unaddressed.

Human capital theory predicts that skill mismatches resolve over time as employers gain information about employee quality (Spence, 1973). However, longitudinal studies find immigrant-native gaps persist or even widen over time, contradicting information-based explanations (Chiswick & Miller, 2009).

Gatekeeping persists because HR systems are not designed to update initial categorizations; they lack both mechanisms and incentives to correct categorical errors embedded in recruitment decisions. What appears as persistent information asymmetry is actually institutional reproduction. Organizations possess detailed performance data but use it to confirm rather than revise initial categorical assignments.

6. Institutional Variation and Redesign Possibilities

The preceding analysis demonstrates that HR gatekeeping is not a functional necessity but an outcome of specific institutional design choices. Where organizations and regulatory systems have implemented alternative designs, gatekeeping intensity varies systematically. Importantly, successful redesign efforts map directly onto the three mechanisms identified earlier: credential filtering, performance framing, and reward anchoring. Examining these cases clarifies both the feasibility of reform and the institutional conditions under which it remains rare.

Comparative evidence reveals institutional variation in gatekeeping intensity. Technology firms implementing skills-based assessment through standardized technical interviews reduce credential-based gatekeeping by evaluating demonstrated competence rather than educational pedigree. Multinational corporations with standardized global talent management systems can facilitate talent mobility across borders (Stahl et al., 2012), though significant challenges remain in balancing global consistency with local adaptation. National civil services implementing mandatory competency-based assessment have potential to reduce credential bias, though implementation varies considerably across agencies (Reitz, 2013).

These cases demonstrate that gatekeeping is redesignable through institutional intervention: direct competency assessment rather than credential proxies, global standardization overriding

local discretion, and regulatory mandates enforcing equitable evaluation. However, such reforms remain exceptional rather than systematic. Skills-based assessment requires substantial investment in evaluation infrastructure and works primarily in occupations with standardizable competencies. Global equivalence frameworks depend on corporate authority superseding local HR autonomy, conditions existing mainly in large multinationals. Competency mandates require rigorous enforcement, as agencies with weak oversight revert to credential-based screening despite formal requirements.

More fundamentally, reform faces institutional resistance because gatekeeping serves interests beyond efficiency. Credential standardization protects incumbent workers from competition, reduces hiring uncertainty for organizations, generates revenue for licensing bodies and educational institutions, and maintains professional status hierarchies (Weeden, 2002). These interests are economically consequential and politically organized, creating coalitions capable of blocking reforms that threaten established arrangements. Germany's Recognition Act (2012) illustrates such limits: procedural reforms guaranteeing faster assessment decisions and standardized processes produced minimal impact on actual employment outcomes because professional chambers and licensing bodies retained substantive authority over equivalence criteria, reproducing gatekeeping through new mechanisms. While the Act established a legal right to assessment and created transparent procedures, full equivalence was granted in only 47% of recognition procedures by 2022, with professional bodies maintaining discretion over what constitutes "substantial differences" requiring compensation measures.

The theoretical implication is that gatekeeping persists not due to information deficits, cultural misunderstanding, or temporary adjustment frictions, but because it serves institutionalized interests

with capacity to resist change. Reducing gatekeeping requires not merely policy reform but institutional redesign backed by authority and resources sufficient to overcome organized resistance, a condition rarely met even when economic benefits would be substantial. This reveals the limits of market-based correction: economic inefficiency alone does not compel institutional change when gatekeeping serves other valued goals.

Redesign efforts that reduce underutilization operate by disrupting specific gatekeeping mechanisms. Skills-based assessment weakens credential filtering by replacing educational proxies with direct competence evaluation. Accelerated reclassification pathways and lateral-entry promotion tracks challenge performance framing by enabling reassessment of initial placements. Broadbanded pay structures and discretionary adjustment mechanisms soften reward anchoring by allowing compensation to respond to demonstrated contribution rather than fixed role categories. Where reforms fail, it is typically because one or more of these mechanisms remains intact, allowing gatekeeping to reassert itself through alternative organizational routines.

7. Conclusion

This study has argued that international mobility among high skilled professionals is fundamentally shaped by HR gatekeeping in both origin and destination countries. Professionals emigrate when domestic HR systems fail to utilize their capacities, seeking contexts where skills might be recognized. However, destination country HR systems reproduce underutilization through recruitment, evaluation, and reward mechanisms privileging locally recognizable credentials and domestically legible career trajectories.

Three core findings emerge. First, HR gatekeeping operates with substantial autonomy from economic conditions. Despite documented skill shortages, HR systems in Germany, Canada, and

the United States systematically underemploy internationally mobile professionals, revealing that gatekeeping serves institutional interests, including incumbent protection, credentialing revenue, and monopsony exploitation, rather than optimizing talent utilization. Economic conditions establish parameters, but institutional interests determine how those parameters translate into employment outcomes.

Second, gatekeeping becomes self-reinforcing through organizational processes that stabilize early categorizations. Initial recruitment decisions determine categorical placements that performance evaluation reproduces rather than corrects. Reward structures materialize these categorizations economically, creating cumulative disadvantage that persists even as immigrants acquire local experience and professional networks. What appears as individual adaptation failure is institutional reproduction.

Third, while gatekeeping is redesignable through institutional intervention, reform faces organized resistance because gatekeeping serves powerful interests beyond efficiency. Skills-based assessment, global equivalence frameworks, and competency mandates demonstrate alternative practices can reduce underutilization, but these remain exceptional. Gatekeeping persists because it is embedded in professional norms, regulatory structures, and organizational routines that benefit from maintaining credential hierarchies and restricting competition.

This paper challenges explanations attributing immigrant employment outcomes primarily to individual characteristics (language proficiency, cultural adaptation) or macroeconomic factors (labor demand, wage differentials). While these matter, they operate through institutional mechanisms that structure access and recognition. Immigration does not resolve skill mismatches; it relocates HR failures across borders, often intensifying

underutilization as foreign credentials face greater devaluation than domestic credentials did in origin countries.

For HR management scholarship, the analysis reveals how practices ostensibly designed to ensure equity and reduce risk standardized credentials, role-based evaluation, compensation bands function as gatekeeping mechanisms producing categorical stratification. Strategic HRM frameworks emphasize alignment between HR practices and organizational strategy, but assume HR systems serve efficiency goals (Wright & McMahan, 1992). This study demonstrates that HR practices serve multiple, sometimes conflicting objectives: efficiency, equity, legitimacy, risk reduction, and professional closure. When equity concerns, legitimacy requirements, and credentialing interests override utilization goals, gatekeeping persists despite its inefficiency.

Immigration policy reforms focused on selection points systems, skilled visa categories, talent attraction initiatives cannot overcome destination country HR gatekeeping embedded in credential recognition, professional licensing, and organizational recruitment practices. Effective integration requires regulating how credentials are assessed, mandating competency-based evaluation, accelerating recognition procedures, and addressing institutional rent-seeking through credentialing requirements.

For organizational diversity and inclusion initiatives, superficial interventions, unconscious bias training, mentoring programs, representation targets will not reduce gatekeeping embedded in core HR processes. Meaningful change requires redesigning recruitment proxies that privilege local credentials, performance calibration practices that reproduce initial categorizations, and reward structures that anchor professionals to entry-level classifications. This requires disrupting established routines, overriding local HR discretion, and challenging

professional interests that benefit from gatekeeping interventions that exceed the scope and authority of most diversity programs.

The sustained underutilization of internationally mobile high skilled professionals despite favorable economic conditions represents substantial allocative inefficiency. This pattern is explained not by economic constraints but by institutional choices embedded in HR systems. Gatekeeping persists because it serves interests beyond talent optimization: protecting incumbent workers from wage competition, maintaining credential hierarchies that benefit prior degree-holders, reducing hiring uncertainty through familiar proxies, preserving internal equity structures, and generating revenue through mandatory recertification. These are institutionally real and politically organized concerns, but they produce categorical stratification operating independently from economic rationality.

This paper has limitations. First, the synthesis relies on secondary sources whose methodological approaches, sampling strategies, and measurement validity vary considerably. Second, focusing on three Anglo-European destinations may limit generalizability to other immigration contexts (e.g., Gulf States, East Asian economies). Third, the framework emphasizes structural mechanisms over individual agency, potentially underrepresenting how professionals navigate, resist, or circumvent gatekeeping. Fourth, by focusing on white-collar knowledge work, the analysis may not apply to sectors with different credentialing regimes or labor market structures. These limitations suggest directions for future empirical research that could test specific propositions derived from the framework.

Recognizing HR gatekeeping as institutional choice rather than market outcome shifts analytical and political responsibility. Underutilization results from specific practices, namely credential filtering, performance framing, and reward anchoring, which

organizations and regulatory bodies choose to maintain despite available alternatives. Reducing gatekeeping requires not just policy reform but institutional redesign backed by authority and resources sufficient to overcome organized resistance from professional associations, licensing bodies, and incumbent workers. The question is whether societies prioritize optimal talent utilization enough to disrupt institutional arrangements that privilege incumbents and familiar credentials or whether gatekeeping will persist as long as those who benefit from it retain institutional authority to block reform.

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CHAPTER 3

IMPACT OF ARTIFICIAL INTELLIGENCE AS AN AGENT OF CHANGE

Osman KURTER¹

Abstract

Artificial Intelligence (AI) more than ever is becoming a permanent part of our daily lives and transforming almost all of organizations in many aspects, such as the structure, operation, and strategic orientation. The Information Technology (IT) revolution that occurred at the end of the 20th century and at the beginning of the 21st century has started to center around Internet and AI technologies being used in every facet of organizational management, from strategic decision making to day-to-day operational issues. This chapter aims to examine the relationship between AI and organizational change, investigating how Digital Transformation (DT) is taking place in organizational settings, how technology is being integrated into daily functions that used to be done with humans only, and how it is altering the organizational capabilities of businesses. This chapter will also include recommendations for managers and researchers about integrating AI into business and

¹ Asst. Prof. Osman KURTER, Karabük University, International Relations, Orcid: 0000-0003-1740-5146

future research areas to conduct fruitful studies. In this research, which employed a Systematic Literature Review Methodology (SLR), the theoretical foundations of AI applications, their historical development, and their application areas in decision-making processes were examined in parallel with studies in the literature (Davenport & Ronanki, 2018; Leavy, 2020; Cubric, 2020). Following the review of recent empirical and theoretical studies, the chapter attempts to discover opportunities and difficulties associated with AI and DT implementation in organizations.

1. Introduction

Change has always been one of the most important issues related to organizational management and leadership, especially in the area of technology. While technological change has traditionally been one of the most important forces that catalyzes change in organizations, contemporary IT and AI have been more than a basic change, but are described as a transformation, or a DT.

AI is defined as computers learning human behaviors, mimicking and sometimes enhancing human intelligence, and functioning with humans or autonomously in problem-solving and decision-making processes (Duan et al, 2019; Russel & Norvig, 2021; Kurter, 2025). Its application has been expanded to almost every facet of human life, from music to defense industries. Current literature includes numerous studies on the topic of AI in the fields of telecommunication, civil engineering, education, medicine, accounting, computer science, and other areas (Morocho-Cayamcela, Lee, & Lim, 2019; Yiğitcanlar et al, 2020; Alenezi & Faisal, 2020; D'Souza et al, 2020; Foulquier et al, 2018; Kendra et al, 2019; Orgeolet et al, 2020, Sezer et al, 2020; Zheng, Chien, & Wu, 2014; 2019; Rupali & Amit, 2017).

It goes back to the 1940s when French Philosopher Paul Valery first talked about human-machine interaction in literature. In his

anecdote, he talks about how humans and robots live together, and at the end of the story, humans turn into robots. He further elaborates that in actuality, it's the machines that would be functioning like humans and turning into human beings (Valery, 1989). Changing human nature and how we are assisted by robots and AI, inevitably changing organizations and how they carry out their functions, too.

Following Paul Valery's philosophical human-machine interaction, AI integration in our lives and the terminology became very popular starting in the 2010s. It all started with the learning of the most complex Machine Learning (ML) abilities and data mining technological advancements. Extensive media reports of AlphaGo system's defeat of its human counterpart in a chess game (Koch, 2016), and IBM's Watson system's victory against the human Jeopardy champions (Gladwell, 2010), AI became the most popular and sought-after technology.

Organizational change is defined as an organization's deliberate way of changing its way of doing business due to various internal or external factors such as the changing nature of the workforce, technological advancements, economic shocks, competitive forces, social trends, and work politics (Robbins, 2003; Cummings & Worley, 2015; Burnes, 2020). Change in organizations requires active management and leadership involvement, obliging adaptation to new technological developments, market forces, structural, cultural, or other strategic realignments.

Currently, DT and AI are the major changes affecting organizations throughout the world (Vial, 2019). While most of these predictions are positive about these technological changes, there are also some stark warnings about AI and DT taking place in organizations. Steven Hawking predicts that in the coming years, humans will be replaced by machines to carry out most of the functions (Cellan-Jones, 2014; Haenlein & Kaplan, 2019; Dwivedi et al., 2019) Technology experts such as Bill Gates predict that progressively

major jobs, such as in the medical fields and education, will be eliminated in the coming years due to automation and the use of AI (Rawlinson, 2015; Bill Gates Predicts, 2026).

2. Methodology

2.1. Study Problem

AI, as a powerful agent of change, is forcing organizations to go through rapid transformation. This new technology is not just affecting the labor market or a single way of doing business, but it is changing organizational structures, decision-making processes, and strategic management issues altogether. While AI technology is bringing automation and all other positive influences to the organizations, it is also creating major leadership and human resources challenges, such as labor force inefficiencies, cultural issues, ethical concerns, and employee resistance to change.

Even though there are numerous studies conducted on this topic, there is still a limited amount of empirical work on AI as an agent of corporate change that investigates how corporate structures go through modifications, and how decision-making and human resources go through transformation. Understanding all these intricate details is required for leadership and overall organization to implement DT and AI conversion smoothly and without any problems (Shrestha, Ben-Menahem, & Von Krogh, 2019; Kurter, 2025; Chrzanowska, Chrzanowski, & Zawada, 2024; Kurter, 2025b).

Consequently, the study problem of this research is to understand how AI acts as an agent of change, how organizations can manage implementation issues of this new technology, and how changing organizational culture and labor force transformation could be handled without major difficulties (Cubric, 2020; Raisch & Krakowski, 2021).

2.2. The Subject of the Study

This study aims to examine the relationship between Artificial Intelligence (AI) and organizational change, particularly focusing on how this new technology is forcing organizations to change their way of doing business to increase their productivity and contribute to their organizational performance. Utilizing the SLR methodology, the research examines theoretical foundations, historical developments, and application areas of AI in organizations from a decision-making and operational point of view, in parallel with existing studies in the literature. The results of the study show that AI accelerates decision-making processes, saves time and costs, and minimizes human errors. Furthermore, when decision support systems are enhanced with AI technologies, it becomes more feasible to make more effective and consistent decisions in strategic management, increase productivity, and reduce costs. It is also understood that organizations need to be prepared well in terms of technological infrastructure and organizational culture before effectively adopting AI applications while going through this kind of critical change.

2.3. Methodology and Data Collection

The research is based on a literature review. SLR is a scientifically accepted and widely used methodology, as the article below clearly explains how literature was selected, the criteria for choosing the sources, and their scopes.

Literature review is a scientifically accepted methodology used to comprehensively and systematically examine existing literature on a specific topic (Davenport & Ronanki, 2018; Leavy, 2020; Cubric, 2020). This method offers a systematic approach to summarizing current knowledge on a subject, answering clear research questions, and identifying gaps, if any, in the literature. The data for this study were obtained through databases such as PubMed, Scopus, Web of

Science, and Google Scholar. Searches in these databases were conducted using the keywords “Artificial Intelligence,” “Organizational Change,” and “Digital Transformation,” and only peer-reviewed articles published between 2015 and 2023 were included. Additionally, these official reports and statistics related to the topic were reviewed and included, limited to the scope of the study.

2.4. Inclusion and Exclusion Criteria

In the SLR, criteria for both inclusion and exclusion of research articles were established for the study. The selection process was carried out in two stages: title and abstract review, and full-text review. The criteria were formulated according to the study's focus, scientific quality, and the scientific reproducibility principles.

Inclusion Criteria

- Articles published in peer-reviewed journals, conference proceedings, book chapters, or official reports.
- English or Turkish sources relevant to the scope of the study.
- Studies published between January 1, 2015, and December 31, 2023- covering the period when artificial intelligence and digital transformation literature are concentrated.
- Theoretical or empirical studies that directly address the impacts of artificial intelligence (AI), ML, generative AI, or related technologies on organizational change, digital transformation, decision-making processes, organizational culture, workforce transformation, strategic management, leadership, and organizational performance.
- Studies examining AI applications at the corporate and organizational level.

Exclusion Criteria

- Theses, doctoral/postdoctoral studies, news articles, blog content, preprints without peer-review, and editorial comments.
- Studies focus solely on technical AI development, such as algorithm design, coding, and hardware, which do not include organizational, managerial, or change aspects.
- Studies published before 2015.
- Studies for which the full text is unavailable, studies with low scientific quality, such as unclear methodology, insufficient data/analysis, and studies with multiple versions of the same research.
- Studies published in languages other than English and Turkish, and for which translations are not available.

The literature review was conducted independently by the author. Records that were irrelevant at the title and/or abstract stage were eliminated, and studies that did not meet the above criteria were excluded with detailed justifications during the full-text review.

3. The use of AI in Organizations

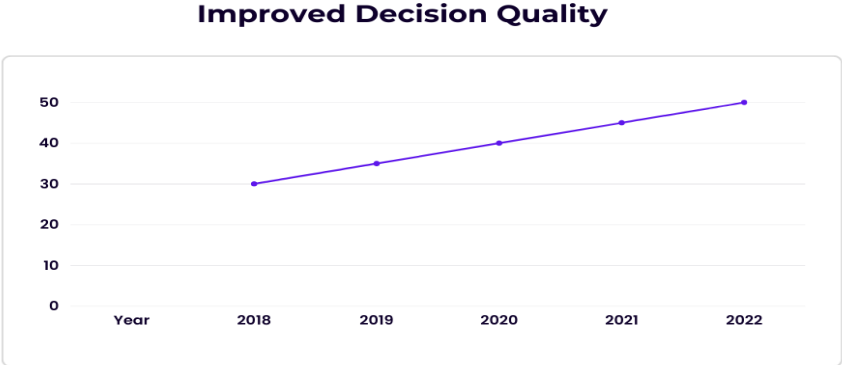
AI is forcing organizations to change or reinvent themselves across many areas as its application becomes increasingly widespread. This technology, with its machine learning abilities, is used in robotics, intelligent automation, and natural language learning areas. AI enables organizations to process a large volume of data to distinguish certain patterns in a short time in the decision-making process (Brynjolfsson & McAfee, 2017).

AI usage is not just in entertainment areas; historical evidence shows that in some of the mega projects, such as the “moon shot” project, which was later put on hold after running out of funding in 2013,

were tried. This important venture was exploring ways to diagnose and recommend a treatment for cancer patients in a clinical environment. The project was shot down, but other major areas where AI applications have flourished and are being used today without any complication (Davenport & Ronanki, 2018). According to Davenport and Ronanki's (2018) research, AI applications are used in process automation, where machines would be taking over the functions of humans to speed up repetitive tasks. This technology has been used to analyze a large database to acquire 'cognitive insight' to support more accurate decision-making processes, too. Lastly, AI applications are being implemented in areas where intelligent systems carry out interaction with customers and employees.

Empirical evidence shows that the benefit of AI is not just limited to automation and other mechanical areas; its benefits are also documented in critical areas such as management and decision-making. As depicted in Figure 1, Ashritha and Reddy (2023) discovered that there is a linear improvement in the quality and accuracy of decisions after AI applications were used.

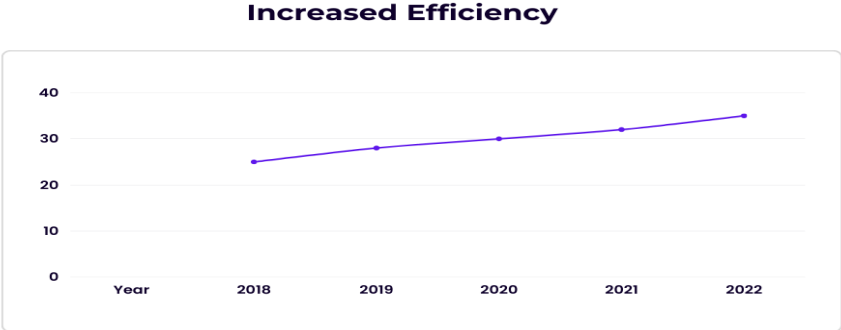
Figure 1: With the use of AI, Time versus Improved decision quality.



Source: Ashritha, and Reddy (2023).

As depicted in Figure 2, the same research also shows that the efficiency of the decisions was greatly improved with the introduction of the new AI application, according to their survey.

Figure 2: Improved Efficiency by the Introduction of an AI Application



Source: Ashritha, and Reddy (2023).

The use of AI in an organization requires various adjustments and changes in the establishment. Typical organizational change may require one of the four different ways of structural, cultural, strategic, or technological changes (Robbins, 2003; Cummings & Worley, 2015). AI, on the other hand, requires a lot more than just one form of change, but maybe all four different forms of change. AI has been totally changing how businesses compete, operate, manage, and evolve. It is not just the adaptation of automation, but also the renovation of decision-making processes and other aspects of organizational behavior. Vial (2019) suggests that recent fanfare about DT is mainly the implementation of AI. DT encompasses the use of digital technology in every aspect of business, from operations to decision-making processes (Vial, 2019; Chrzanowska, Chrzanowski, & Zawada, 2024; Kurter, 2025b). AI-assisted systems, for example, are capable of analyzing market trends in real time and helping managers and leaders make more informed and accurate decisions in shorter time frames.

3.1. Organizational Structural Change and AI

Organizational structure defines how certain jobs are assigned to a group of individuals or a department for facilitation. There are six elements that managers need to decide on while establishing their organization's structure. As shown in Table 1, they are work specialization, chain of command, departmentalization, formalization, centralization and decentralization, and finally span of control (Robbins, 2003; Daft & Armstrong, 2021).

AI applications always require major structural changes in the institutions. Traditional top-down hierarchical structural designs would be less effective and more time-consuming in the new IT and AI environment, where data is analyzed very quickly, requiring an extremely proactive and fast-paced decision-making process. In this new digitally transformed environment, organizations need to be structured more flatly than vertical, top-down, cross-functional departments and teams, and equipped with data-based AI-capable decision-making technologies.

Table 1: Organizational Structure Elements and their functions.

Work Specialization	How specialized each job is.
Chain of Command	Reporting to a certain individual.
Departmentalization	How tasks are divided into different groups.
Formalization	How strictly each rule is enforced for managers and employees.
Centralization & Decentralization	Who makes the decisions from where?
Span of control	How many employees can a manager oversee efficiently?

Source: Modified from Robbins (2003)

These structural changes would decrease process times, allow speedy decision-making, and encourage partnership between staff and leadership for reaping the most benefit out of AI implementation. According to Brynjolfsson & McAfee (2017), organizations that benefit optimally from AI implementation are the ones that usually adapt their organizational structure and workflows to complement machine and human to work together.

Automation, with the help of AI integration, reduces employee labor hours by eliminating repetitive work. Instead of repetitive, unimportant work that would be done by machines and robots, employees would be channeled into cognitive, technical, and analytical forms of work. Rather than employing simple laborers conducting routine work, organizations would start employing more professionals. Since total automation is not possible yet, the optimal format of job design would be a hybrid or Human-AI partnered work environment. Recent studies show that organizations perform better with these kinds of hybrid environments than machines replacing humans (Vats & Sharma, 2026).

3.2. Employee Revitalization and HR Issues

Nowadays, AI and its application are a major organizational change that requires highly skilled managers and employees to realize this transformation accurately. As quoted earlier in this chapter, Bill Gates, Steven Hawking, and other like-minded alarmist individuals predict that AI will replace most of the labor force in the future. Other balanced researchers suggest that while this new technology may eliminate some of the basic jobs, it will create new and more important opportunities in the tech areas and create professional positions for future employees. In fact, most of the studies, like Jarrahi (2028), suggest revitalization of the labor force to reflect changing labor force composition, rather than a total transformation and machines taking over the labor force. Between these two schools of thought, let's look at what is at stake realistically.

Acemoglu and Autor (2011), applying the canonical model to the American labor market for their prediction, suggest that while some of the jobs may get eliminated by AI, others will be created. Reasoning that the recent trend of large numbers of employees returning to universities for reskilling and revitalizing themselves for better opportunities, they further claim that technology is using factor-augmenting format to eliminate some of the low-skilled jobs to create high-skilled ones (Acemoglu & Autor, 2011; Webb, 2020).

Another empirical study, using prediction models conducted by Webb (2020), similarly argues that while some of the repetitive jobs may get replaced by AI-managed machines, others may increase demand for human workers and offset the overall employment loss to an acceptable level. In fact, he claims that the new DT and AI application will create its losers and winners at the same time.

Depending on how it is managed, DT and new AI utilization in organizations can either revitalize or exhaust employees to a level that they may resist change. If strategically and accurately deployed, AI can be the source of all positive things, such as increased job satisfaction and autonomy, enhanced engagement, and employee renewal. If it is not planned and managed well, it may reduce employee motivation, increase stress, and reduce productivity.

From different research conducted on this topic, we understand that the key to future HR management goes through revitalization, not overhaul. In other words, it is not as bleak as Gates and Hawking suggest. In fact, the recent labor market trend exactly shows this phenomenon (Frank et al, 2019). Ernst et al (2019) exactly prove this point. The researchers are using International Labor Organization (ILO) data to see labor polarization and trends influenced by AI and DT. Dividing countries according to their income levels, researchers grouped countries as high-income countries, low-income countries, upper-middle-income countries, and lower-middle-income countries. They also grouped jobs according to their skill levels of

high, middle, and low skill levels. They discovered that during the years 2000 and 2021, in all income level countries, the percentage points of high-skilled worker numbers increased, and middle-skilled worker numbers decreased. The only area that showed differences in employment level was in the low-skilled labor market. Except for lower-middle-income countries showing a large percentage of job loss in the low-skilled percentage of labor, all other income level countries showed a slight increase in jobs (Ernst et al, 2019).

Since DT is going to require adaptation of the labor force, or reskilling and training of the current ones with digital talent that would equip the labor force to work with the new AI systems, the human resources department of the organization would need to carry out the realignment process well. This task would include easing employee concerns about their job security, retraining and reskilling the current employees, or hiring professionals such as AI engineers and other related specialists to carry out the transition smoothly.

Along with other departments, HR plays a very important role during DT and AI implementation. During this transition time, retraining of employees and reskilling them in AI-related technologies to acquire other related digital competencies to stay employed must be directed and managed by the HR departments of the organizations.

4. Change Management

4.1. Leadership Roles

Going through such a major DT, leadership plays a very critical role in directing and managing how organizations perform their digitalization in highly competitive environments. The leadership team not only needs to pay attention to what its competitors are doing, but also needs to manage the organizational culture, human resources, and structural changes associated with AI applications. Effective leaders who are equipped with excellent leadership qualities would be able to handle all of these changes accurately,

while ineffective ones would take their organization through a rollercoaster, which may end up with an unwanted outcome.

The leadership during DT and AI implementation must demonstrate a clear strategic vision. It is documented that DT attempts usually fail if they are not planned and carried out accurately. These transitional plans, and the reasons why AI technologies are being integrated into business structure, must be explained to the employees in detail. Employees need to be informed how AI technologies will automate some of the functions, increase operational efficiency, and generate greater value to the organization (Brynjolfsson & McAfee, 2012; Brynjolfsson & McAfee, 2017; Davenport & Ronanki, 2018; Chrzanowska, Chrzanowski, & Zawada, 2024). The leadership must also identify the areas accurately where AI technologies would be implemented. Depending on the organizational structure and the industry where the company operates, the new technology's useful application areas may be in the areas of automation, customer engagement, predictive analysis, or decision-making processes. The use area may not be the same for every organization.

4.2. Managing the Change

Managing a DT requires active leadership involvement in building partnerships for the transformation and maintaining pace during the process. Research like Kotter (1996), Raisch, and Krakowski (2021). Kurter et al (2021) suggest that successful organizational change heavily depends on the leadership involvement and leaders' management abilities.

Management of change also includes cultural alignment that requires active involvement of the organization's leadership. Digitally innovative and data-driven decision-making processes and AI applications' success all depend on leaders' abilities. These environments that require major technological change also call for

cultural change of knowledge-sharing abilities, ensuring transparency, innovative thinking, and problem-solving. Technological and cultural changes of a transformational magnitude also create a need for Human resources and digital skill development, which was mentioned earlier.

Along with other challenges, the leadership has to deal with ethical issues to make sure control mechanisms are in place. Espionage, data piracy, transparency, accountability, and algorithmic bias issues must be addressed and regulated according to ethical and legal statutes of the organization and the country. In the current environment, where very large amounts of data, including personal information, are kept in the databases of organizations. Leadership of the organization that is going through DT must ensure data security and address ethical issues by establishing regulations and frameworks to safeguard this data. Risk management efforts must be put in place to guarantee employee and stakeholders' trust, minimizing any adverse spillovers. If not managed well, these kinds of events would diminish organizational reputation along with its profitability.

Agility and innovation are two of the most important ingredients of DT and AI implementation. The clumsy old way of doing business in the digital age is the most important aspect that leadership must avoid. Agile leadership requires decision-makers' involvement, support of fast-paced experimentation, and adaptation of AI-driven problem-solving. With good leadership and implementation methodology, agility would bring a competitive advantage to the organization.

5. Research Implications and Recommendations

Although AI studies have been receiving extraordinary attention from all scientific research areas in recent days, some of the areas may still need additional attention.

While numerous studies have been conducted on the technological side of AI, it is observed that not enough attention is paid to human factors in these studies. Especially, the business administration side of the research needs further attention. How individuals are behaving in response to this new technology, employee experiences dealing with AI implementation, how the DT is influencing organizational culture, and leadership issues need to be studied more.

Since this is an extremely new technology, longitudinal or time series studies investigating the impact of AI on organizational matters still need some additional research. Studies in the literature generally focus on cross-sectional issues, making it difficult to discover how this technology is influencing organizations over time.

Interdisciplinary studies are also needed in this research area. Researching the effects of AI in a multidisciplinary fashion, studying strategic decision-making with information systems, human resources, ethics, and sociology may be necessary.

Conclusion

AI is a 21st-century technology that is drastically changing how businesses operate, function, and make decisions. The structures of organization and corporate culture are being redesigned to be more productive in the digitally transformed technology age. The AI implementation does not only require funding and money, but it also requires conducive leadership, employee training and adaptation, organizational culture, and change management. While AI brings numerous benefits to the business world, it also brings tremendous challenges to organizations and leadership, dealing with cultural change, staff adaptations, change management, and ethical governance.

The study discovered that leadership is not just one of the most critical factors for the well-being of the organization, but it is also very fundamental for the success of DT and organizational change.

Successful leaders push the right buttons to guide their organizations to the most accurate strategic direction while managing organizational change, implementing new AI technology, improving workforce reskilling, and guaranteeing acceptable AI governance.

After completing this research, it was discovered that organizations and HR departments would need to retrain and reskill employees in high-skill labor areas where the job market futures are bright as opposed to low-skilled professions (Frank et al, 2019; Ernst et al, 2019; Webb, 2020).

Digital transformation, which encompasses AI applications for organizations, requires leadership, organizational strategies, human capabilities, and technological systems (Chrzanowska, Chrzanowski, & Zawada, 2024). A successful DT with AI implementation requires a suitable corporate culture, adaptive leadership that manages change effectively, and, finally, technology that supports the transformation. The study shows that organizations that quickly and effectively implement AI-related digital transformation would be able to achieve higher efficiency, a competitive advantage, and organizational excellence, while others who are slow about catching up with this change trend would be forced out of business.

AI is a technology with the power to transform all segments of society in the 21st century, and in this sense, it is reshaping the functioning, decision-making mechanisms, and cultural dynamics of organizations. In IT processes, AI integration requires not only technological infrastructure and investment, but also effective leadership, employees acquiring new skills, adaptation to organizational culture, and comprehensive change management. Indeed, businesses that recognize this early will be more successful, while those that fail to do so will lose their competitive advantage.

This revolutionary AI technology will continue to mature in the coming years and will continue to become an important area of further research.

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