Bachelor's thesis (TUAS)

Degree Programme in International Business

International Business Management

2013

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EMPLOYEE INDUCTION

– developing an induction process for a company providing services in sports and leisure time activities

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BACHELOR´S THESIS | ABSTRACT
TURKU UNIVERSITY OF APPLIED SCIENCES

Degree Programme in International Business

2013 | 47

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EMPLOYEE INDUCTION

Induction is considered as an important part of a company's human resource practices. Many aspects should be addressed when discussing the importance and objectives of an induction process. Induction can be defined as the processes and support provided by the organization in order to help a new employee to learn to know the new organization and its members as well as the expectations and tasks of the job.

This thesis is created by the order of a company in Turku region offering a wide range of leisure time and sports services. The work aims at addressing 1) What are the expected outputs of an induction process? 2) Why is induction especially important at the case company? 3) What should be included in an induction process for the case company? The first question will be answered by the literature review and the latter questions will be discussed in the research part. Additionally the study has provided valuable data related to other areas of human resource management, such as leadership.

The research methods used in this study were participant observation and semi-structured interviews. The objective was to gather reliable data about the current situation and needs about the company's induction process.

It is often the quality of service that has a significant impact on the purchase decision. Trained employees perform better and are more likely to serve customers in a desired way. Thus one of the objectives of an induction process is to increase customer satisfaction through minimizing errors and raising employee performance. Systematic induction process also aims at increasing employee commitment and this way improving motivation. The first day in a new job is always memorable – in good or bad. Induction often reflects the values of a company. It can be suggested that a company can strengthen its competitive advantage and decrease the employee turnover by investing in employee training since the beginning of the employment with a proper employee induction.

The service range offered by the case company is wide and the company aims at aggressive growth. Thus the amount of information to adapt to is large and training is essential. For this reason improving the induction practices is important. Crucially, the induction program of the case company should create a clear image of the case company's operational environment, which highlights company values.

Regarding the future, this study suggests the following themes to be researched. How should the induction practices be developed to meet the needs of the part-time employees? Why is human resource management especially important at the case company and what kind of HR strategies should the case company execute?

KEYWORDS:

Induction, employee performance, employee motivation, customer satisfaction, organizational values, management, competitive advantage, employee turnover

OPINNÄYTETYÖ (AMK) | TIIVISTELMÄ
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TYÖNTEKIJÄN PEREHDYTYS

Perehdytyksellä on laajat vaikutukset niin työntekijän motivaatioon kuin asiakastyytyväisyyteenkin. Sen voidaan siis väittää olevan yksi tärkeimmistä henkilöstöhallinnon välineistä. Perehdytyksellä tarkoitetaan niitä käytäntöjä ja toimenpiteitä, jotka auttavat uutta työntekijää oppimaan uuden työtehtävänsä, organisaation sekä tämän jäsenet.

Tämä opinnäytetyö on tehty toimeksiantona Turussa sijaitsevalle liikunta- ja vapaa-ajan palveluita tarjoavalle yritykselle. Tämä opinnäytetyö vastaa seuraaviin tutkimuskysymyksiin: 1) Mitkä ovat perehdytyksen tavoitteet? 2) Miksi perehdytys on erityisen tärkeää toimeksiantajalle? 3) Mitä tulisi sisällyttää toimeksiantajan perehdytysprosessiin? Tämän työn kirjallisuusosio vastaa ensimmäiseen kysymykseen, kaksi viimeistä kysymystä tullaan käsittelemään tutkimusosiossa. Yllämainittujen tutkimuskysymysten lisäksi tutkimuksessa nousi esiin näkökulmia toimeksiantajan henkilöstöjohtamisen liittyen.

Tämän tutkimuksen metodeina on käytetty osallistuvaa havainnointia sekä semistrukturoituja haastatteluita, joiden tarkoituksena oli kerätä luotettavaa tietoa perehdytyksen nykytilasta ja kehitystarpeista toimeksiantoyrityksessä.

Yhä useammin palvelun laadulla on merkittävä vaikutus ostopäätökseen. Vain hyvin perehdytetyt ihmiset työskentelevät tehokkaasti ja tuottavat laadukasta palvelua. Yksi perehdytyksen tavoitteista on siis virheiden minimointi ja näin ollen korkea asiakastyytyväisyys. Perehdytys luo myös ensivaikutelman työnantajasta sekä se viestii usein yrityksen kulttuurista ja siitä kuinka työntekijöistä pidetään huolta. Systemaattinen ja tehokas perehdytysprosessi vaikuttaa työntekijän tyytyväisyyteen, sitoutumiseen ja motivaatioon. Tätä kautta perehdytyskäytännöillä voidaan myös minimoida työntekijöiden vaihtuvuutta. Tehokas perehdytys voi kasvattaa yrityksen kilpailukykyä panostamalla työntekijöiden koulutukseen heti alusta alkaen.

Toimeksiantajayritys tarjoaa monipuolisia palveluita, jonka vuoksi työntekijöiden tulee sopeutua suureen informaatiomäärään. Muun muassa tämän vuoksi perehdytykseen tulee kiinnittää erityistä huomiota. Perehdytysprosessin avulla uuden työntekijän tulee ymmärtää yrityksen kokonaiskuva ja toimintaympäristö. Sen tulee myös heijastaa yrityksen arvoja ja sitä miten ne näkyvät arjen työssä. Kyseisen yrityksen sisällä eri työtehtävät ovat toisistaan riippuvaisia, jonka vuoksi perehdytysohjelman tulee korostaa koko organisaation toimintaa.

Tulevaisuudessa kyseisessä yrityksessä tulisi tutkia kuinka perehdytyskäytäntöjä voidaan muokata osa-aikaisille työntekijöille sopiviksi. Lisäksi on tärkeää tutkia miksi henkilöstöjohtaminen on erityisen tärkeää kyseisessä yrityksessä sekä millaisia henkilöstöstrategioita yrityksen tulisi toteuttaa.

ASIASANAT:

Perehdytys, työsuoritus, työmotivaatio, asiakastyytyväisyys, yritysarvot, johtaminen, kilpailukyky, työntekijöiden vaihtuvuus

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LIST OF ABBREVIATIONS

CEO	Chief Executive Officer
SWOT analysis	A tool used to analyze a company’s internal and external environment in terms of strengths, weaknesses, opportunities and threats. The analysis may help a company in generating strategic options and thus achieve their goals (Friend & Zehle, 2004, 85)

1 INTRODUCTION

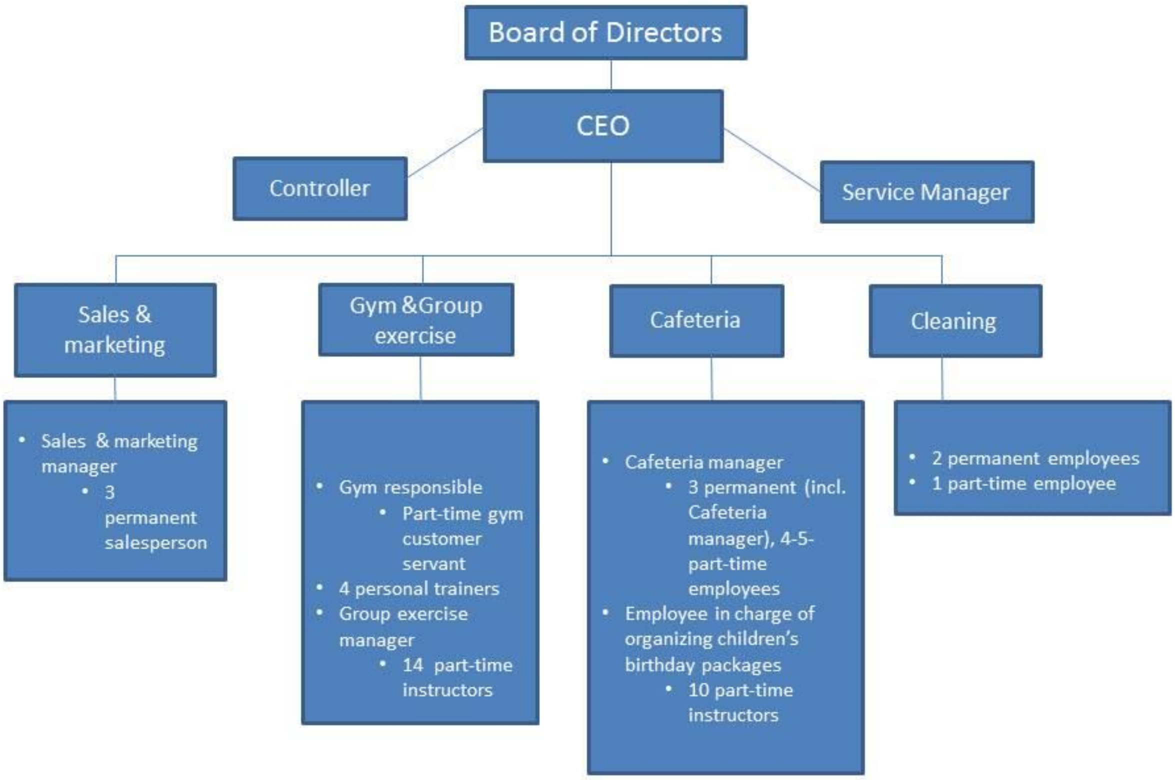
The idea for my thesis developed along with my studies and my practical training. Since the beginning of my studies, I have been very interested in Human Resources, especially in leadership. In my practical training, the importance of internal communication and leadership was highlighted, as our manager was very aware of the effects of the internal communication and leadership on employees and customer satisfaction. The induction process was also well planned and executed. This has definitely had an effect on my decision to do the thesis about induction.

This thesis is created by the order of a company in Turku region that offers wide range of leisure time and sports services. Based on my own work experience, the aim of this thesis is to address 1) why induction is an important part of human resources, 2) how it can be done effectively and 3) what are the tools for an induction process. All these elements are researched in the case company. In addition, other possible development areas related to induction and management of human resources will be discussed. The case company wished that I would create an induction folder, however the contents and the scope of such a folder were unclear. The scope and implementation of the induction process as well as the contents for a possible induction manual were researched through semi-structured interviews of the case company employees, managers and shareholders.

The literature review of this thesis covers the following topics; the significance of induction for an organization, how induction affects motivation and how induction should be executed in practice. Because the case company in question is Finnish, a significant part of the literature used in this thesis is Finnish. The examples and practices explained in the Finnish literature best matches the situation of the ordering company.

1.1 Company introduction and research objectives

The company is a local business founded in 2009, a rather young company. It is a leisure time center offering a wide range of services; a cafeteria and a restaurant, a children's indoor playground area, children's birthday party packages, a gym and group gymnastics, personal training, a possibility to exercise indoor sports on three indoor playing fields, indoor golf services, and sauna and meeting facilities with restaurant services. There are 16 permanent employees and approximately 30 part-time employees. The business premises of the company are of 10000 m² in four different floors.



Picture 1. Organizational chart of the case company (Retelling Jones, 2010, 43)

This thesis tackles the challenges of the induction process at the cafeteria, because the lack of proper induction process is a challenge, as it is the reception for each of the service the company offers. It is the place where all of the customers come first, regardless of which services they are looking for. This is what makes the work of the employees at the cafeteria / reception demanding; one must be aware of each service the company offers and guide the customers professionally. During the rush hours the work at the cafeteria is very hectic. For example on a busy weekend most of the services are being used which places pressure on the cafeteria employees; there is a floor ball tournament of 17 teams, the children's playing arena is busy with customers, there are children's birthday parties, and the sauna and conference facilities might be booked as well. All of the customer services related to these activities are handled at the cafeteria; payment, cafeteria / restaurant services, reservations and general inquiries. This means that the cafeteria employees are required to handle various different tasks and without a proper induction it is impossible.

In addition, there are many customers calling the cafeteria; most of these calls are missed. The employees at the cafeteria must also deal with issues that belong to other service areas, such as billing issues and gym contract terms. The service manager who is responsible for invoicing is usually available to the customers only during the office hours. This is why customers will have to contact the cafeteria regarding invoicing when the service manager is not around. In this case the cafeteria employee must know how to handle it or at least to whom to delegate the issue so that the information reaches the right person. With the lack of proper understanding of roles and without a functional internal communication system it is challenging and threatens to affect customer satisfaction.

In 2011, the company opened up a new gym and the possibility to exercise group gymnastics. Many new employees were hired with various different tasks because of this development. On the other hand, this development made the organization more complex. Even if there are new employees to cut down the workload, there is even more pressure on the cafeteria employees as the amount of new information to adapt along with the new services offered has grown enormously. Since the new gym was opened, the amount of customers increased dramatically from 250 to 1100 regular customers. The strategic goal for the company is to grow the amount of regular gym customers to 2000 with an expected annual growth of 200-300 customers. The increased amount of the gym customers already indicates the strong growth of the case company. However the employee training or induction practices have not developed along with the growth and it clearly places more challenges in the cafeteria.

At the moment the job descriptions and roles in the organization are blurred and there is a lack of understanding of who is in charge of each task. For instance, there is no one clearly in charge of the cafeteria's induction process which is one of the reasons why it is being neglected. The company has not set clear values and vision, which hinders the orientation process of the newcomer in the case company as the goal is not concrete. All of these above mentioned issues hinder the organization from developing and renewing and it creates a high risk of not being able to deliver quality customer service.

In addition, internal communication is weak as well; already the large premises of 10 000m^2 make the internal communication challenging. There is no intranet in use and as the employees have different levels of IT-skills, even communicating via e-mail is challenging for certain people. Even the customers have complained about the weak internal communication.

As discussed previously, the work in the cafeteria is very multifaceted and hectic. For this reason it is even very important that the new employees are well trained through effective induction in order to receive all the necessary information in order to work efficiently. Currently as new employees start working in the cafeteria, they are lost because the company is not well organized. As there is no proper induction creates even more challenges for the new employees. Most of the new employees learn their work only by doing.

Developing a sufficient induction process for the company is an effective way to improve many abovementioned challenges. Thus I suggest the following research questions for my thesis;

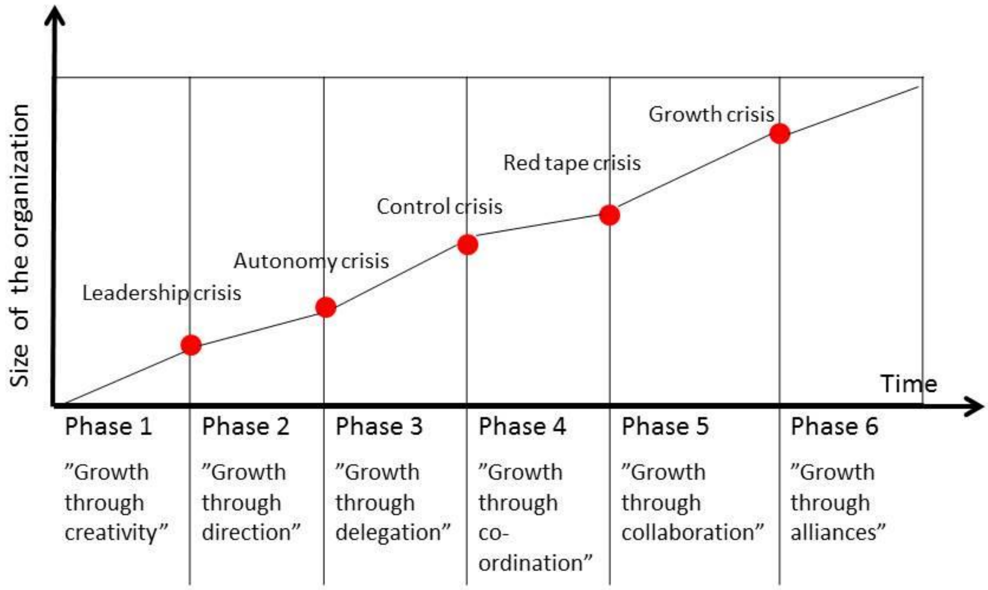
1) What are the expected outputs of an induction process?
2) Why is induction especially important at the case company?
3) What should be included in an induction process for the case company?

The first question will be covered within the literature review of this work and the latter questions will be addressed in the research part.

1.1.1 Phases of organizational growth

As a company grows, the processes and structures must change in order to adapt to the needs of the increasing amount of customers and to be able to deliver a new service / product range (Recklies 2001). As discussed previously, the case company has been growing a lot during the past four years and there is a clear need for a planned and structured induction process. The number of employees has increased from the starting point of 10 employees to the amount of 16 permanent and approximately 30 part-time employees today. It is clear, that as the number of employees increases, the internal processes such as communication and training become more complex. With the constantly increasing amount of information that the employees have to adapt to, it is obvious that induction is one of the cornerstones in creating committed and skilled employees. It is not only the increased amount of employees that makes the work more and more demanding; the number of gym customers has grown dramatically within past years. In the spring of 2011 the number was 250 customers as the current number is 1100 customers. This has directly increased the workload of the employees.

The following model developed by Larry Greiner (1972) of organizational growth indicates that companies are likely to pass through five different phases during their life cycle.



Picture 2. "The Greiner Curve" on organizational growth (Retelling: Clarke 1994,12)

The model suggests that in the first phase there are only a few people working in the company and it is easy to share the information and allocate tasks. All relevant issues are mostly shared by word of mouth. In the first phase a crisis of leadership is likely to occur: as the number of employees increases, it is challenging to separate the essential issues from the unessential. As there are very little organizational structures and roles the allocation of work to certain people is difficult.

The second phase involves crisis of control in terms of formal systems becoming more necessary because of the increased size of the organization. Coordinating the activities of the managers and employees is vital.

In the third phase the middle level management has the authority to react independently in new opportunities so the organization continues to grow while top management is mainly concentrating on the big picture. The crisis point of this phase is control which emphasizes the need for the separate units of a company to work together.

Phase four suggests that the business units that in the previous phase were isolated are now reorganized. This phase also includes the creation of reward systems aligned with the corporate goals. The challenge in this phase is the red tape as a new structure is introduced.

In the last, fifth, phase the growth occurs through alliances, which means that the departments work flexibly together and growth is achieved. The crisis point of this phase is the internal growth which deals with the possibilities of further growth. (Camillus 1986, 27; Recklies 2001)

Based on the observations done in the case company, the case organization is now in between of phase 1 and phase 2. This observation, however, does not support the argument of the Greiner's theory of organizational growth that the different stages would be clearly separated from one another (Camillus 1986, 26). Crisis of leadership definitely occurs in the case company, as the roles and responsibility areas of the employees are unclear. Some of the employees have also demonstrated that there has been a dramatic change since the company was founded; in the beginning it was easy to communicate and keep the roles clear as there were only a few employees and each had their own clear tasks. For that matter, as the company has grown, it needs now to become more structured; a well-organized and clear induction process is a part of that. An autonomy crisis can be identified as well. The cafeteria manager clearly has a large workload and the tasks should be reallocated or shared with the staff. Because of these two crisis points, it is important to pay attention to employee training and development. In the case company a preferable starting point for this is to develop an induction program, which is likely to solve current problems and development needs.

In order to be able to develop, each member of the organization must participate in the change as well. This is challenging as most people resist change due to the uncertainty and unawareness of what the future will be like. It is also questionable if all people can keep up with change and development. In the case company for example, especially for older employees it has been challenging to keep up with the development of IT systems. This is why it is important that the company is well prepared to train employees constantly, not only in terms of induction.

1.2 SWOT analysis of the case company

This subsection discusses the strengths, weaknesses, opportunities and threats of the case company in order to help identify the context the case company operates in.

One of the major strengths and simultaneously opportunities is the versatile service range the company offers. It is the only company in the area of Turku that has a wide range of sports services to offer, which definitely gives it a competitive advantage. The case company has the opportunity to develop and customize their service range further based on the customer needs. The case company is constantly doing this with their sports services in order to keep up with the competition. In addition, the case company’s customer segment is very wide; they aim to offer sports and leisure time services to people of all ages, from small children to seniors. This is also another opportunity as families can find activities for each family member under the same roof.

However the vast customer segment and wide service range create also threats and weaknesses. From employee training perspective, it is a great challenge for being able to handle each service range and to deliver quality customer service for a huge segment of different kinds of customers. This problem can be already identified in the case company. The employees are not enough trained to be able to keep up with the amount of information that is needed, especially at the cafeteria. The challenges identified in the cafeteria will be further discussed in the next chapter. Unless the case company starts to pay attention to this matter, it will pose a threat for the future. The case company aims at a high growth and developing their services further, which highlights the importance of employee training even more. The large investments made in developing their services will lose their value unless the staff is able to keep up with what is going on. In addition to the gym services, the company should pay attention to developing their various other services as well.

1.3 Major challenges of the case company's cafeteria / reception

As discussed previously, there are many challenges that need to be addressed at the case company, but especially in the cafeteria / reception. The amount of the work done in the cafeteria / reception is considerable as one must have knowledge of all the services the company offers. Simultaneously it crystallizes all the structural problems the company has; it is the stress point of the company as it is often very hectic and multitasking is essential. The opening times of the case company create another challenge; the services are available for customers seven days a week from 10 a.m. to 10 p.m. (except on Saturdays from 10 a.m. to 8 p.m.). For this reason, one must often work alone and when problems occur, one must call the cafeteria manager as there are no instructions written down. This is also why the internal communication is challenging. The cafeteria is run on many shifts and different people work at different times. Sometimes important information is forgotten to be shared and customers might ask you for information about an event / offer / new service you might not have even heard of. The company has not set clear values and vision, which is why it is sometimes difficult to prioritize the work.

The next chapter of this thesis will discuss the objectives of an induction process; why induction is important to the organization, how it affects employee motivation and customer satisfaction and how it should be implemented in practice. The third chapter will discuss how the theories are actualized in the case company providing suggestions for implementing the induction process. In the last chapter suggestions for further development ideas and future research topics will be provided.

2 OBJECTIVES OF INDUCTION

Kupias and Peltola (2009, 18) define induction as the processes and support provided by the organization in order to help a new employee to learn to know the new organization and its members as well as the expectations and tasks related to the job. In other words, induction is the process of helping the new employee to become an efficient and productive member of the organization as soon as possible by minimizing errors and simultaneously avoiding the costs of employee turnover by giving them a good first impression of the company. A well conducted induction communicates to the employee that the company values and cares about him or her. A proper induction decreases the amount of mistakes and accidents at work and improves the quality of work as well as customer satisfaction. (KT Kuntatyönantajat, 2011)

Foot and Hook (1999, 202) present induction as an important aspect of the employee retention as it is the first process the new employee faces and the way induction is managed often reflects the values of a company. Paying special attention to the first impression made by the company will make the new employee feel valued and expected (Great Place to Work, 2012). A well planned induction process also affects the public image of a company as the employees might discuss the success of an induction process with other people (Foot and Hook 2008, 293). Dessler (2013, 270) points out four main purposes of employee orientation: 1. to make the new employee feel welcomed, 2. provide one with basic information to function effectively, 3. to understand the organization in its broad sense and 4. to familiarize one with the organization’s cultures and values. It is also pointed out that the latter two purposes distinguish onboarding from traditional orientation.

There are many issues that can be affected through a proper induction, such as the quality and effectiveness of work, atmosphere, labor costs and employee turnover. Company’s values, vision and strategy are the starting point of the induction as well as the objective of it. The process of induction starts from the recruiting phase of the new employee(s). The actual ending point of the induction is difficult to define because the process should be viewed as a continuous process which simultaneously develops the whole organization and its members. The drive for development and change is important, as very often the expertise and development ideas of a new employee are neglected and the organization is not taking full advantage of the possibility to develop its operations further. In addition to the induction process a company should continuously train all employees in order to keep up with the company development. (Kupias and Peltola 2009, 19; Kjelin and Kuusisto 2003, 9; Armstrong 1999, 406; Foot and Hook 1999, 202)

Sinikka Leino from Turku University of Applied Sciences claims that many organizations consider recruiting to be more important than induction and thus the induction process is often neglected. However it should be acknowledged that investing in recruiting will not pay off if the employee will not be committed through the induction process. (Turun Sanomat 2008.) Induction is often carried out during the work routines and many organizations assert that “you learn the best by doing”. It is also very common when hiring an already experienced employee the induction process is assumed to be less important. (Kupias and Peltola 2009, 19; Kjelin and Kuusisto 2003, 9; Armstrong 1999, 406; Foot and Hook 1999, 202)

2.1 Induction and employee satisfaction

Kjelin and Kuusisto (2003, 20 – 22) stress that a weak induction process affects the company’s credibility not only externally but also internally. Well motivated employees have the energy to be productive and provide quality service. If the company management is not committed to deliver an effective induction process, the motivation levels of the employees can decrease. This might not occur straight after starting a new job, as the new employees usually are eager to prove themselves. Employees are usually highly motivated when starting a job and a poor induction might impair the motivation in early stages. The abovementioned issue is also observed in the case company; for the first few months the new employees have a high level of motivation, which then gradually decreases due to the several challenges in the organization. Based on the observations made during the research, the diminishing motivation of the employees occurs mostly because human resource management is to a large extent neglected in the case company and the company management is not aware of the practical challenges. If the employees consistently need to lower their own quality standards, it hinders their work commitment and thus decreases the quality of customer service. Most of the interviewees agreed that the company management should be more aware of the practical work done in the cafeteria in order to be able to manage it better. As the commitment of an employee is weak, there is a risk of high employee turn-over. This creates immediate costs as constant recruitments and training new employees consume a significant amount of a company's resources. Profound induction saves recruitment costs by increasing the employee commitment; the employee turnover decreases and motivation towards delivering high quality service increases. In addition the labor costs can be decreased, because well trained employees work more efficiently. (Kjelin and Kuusisto 2003, 20 – 22)

2.2 Induction and performance management

Torrington et al. (2011, 251-252) claim that human resource practices improve performance through influencing employees' attitudes. Committed employees are the ultimate goal of human resource management because it results in high motivation and eventually committed employees will reduce employee turnover and absence costs.

Bratton and Gold (2003, 288 – 289) quote a theory by Purcell and Boxall (2003) that views performance as the outcome of ability, motivation and opportunity. According to the theory, ability is seen as the necessary knowledge and skills which are effected by recruitment, selection and training. An important part of this ability is already being created in the beginning of the employment within induction. High performance levels can be achieved with motivated employees. There is a lot of debate around monetary rewards and how much money actually motivates people in their work. Money is seen as a very limited source of motivation, especially in the long term. Herzberg's statement (1966) quoted by Bratton and Gold stipulate that a monetary reward only motivates when it is considered as recognition. It is suggested that the way employees are treated may in fact boost productivity more than salary. (Bratton and Gold 2003, 288 – 289) Opportunity refers to the organization encouraging the employees to take initiative and to develop their skills and to influence decision making regarding their own jobs and potentially the whole organization (Purcell 2007, 6; Torrington et al. 2011, 252).

For the case company, it is essential to provide the cafeteria employees with a quality induction in order to provide them with necessary information. In addition a rewarding system should be established especially in the cafeteria in order to improve the employee motivation in challenging work environment. Also providing the employees with the independence to develop their own jobs would increase performance.

2.3 Induction and customer satisfaction

Kjelin and Kuusisto (2003) suggest that a company can strengthen its competitive advantage by offering a profound induction program to its employees. Today customers face an enormous supply of different services and products on the market, especially within the gym and sports business the competition is tough. As the supply for such services is vast, the demand for quality customer service has increased. Maintaining competitive advantage only by offering low prices is challenging. The importance of customer satisfaction cannot be stressed enough as customers can easily switch to another service provider. (Kjelin and Kuusisto 2003, 20 – 22)

A well-organized induction lowers the amount of errors and improves work quality as well as customer satisfaction (KT Kuntatyönantajat 2011). In contrast, a poor induction often increases the risk of errors and threatens the quality of the service delivered for a customer. This can lead to reclaims, thus causing immediate costs for the company. Additionally the company’s reputation may be damaged, leading to the loss customers. The loss of a customer reduces cash flow and harmed company reputation creates difficulties in acquiring new customers. (Kjelin and Kuusisto 2003, 20 – 22)

2.4 Induction in practice

One of the aims of proper induction is to create consistency and sense of community within the organization. Often the way how induction is executed sends the first message about the values of the organization;

> “Assessing the training needs of new employees consumes time and money, but it sends the message that the organization is committed to the development of its employees, to giving them the right tools to perform, and to putting them in a position where they can succeed“ (Acevedo and Yancey 2011, 350)

In the case company induction is currently carried out alongside the routine work. This is one of the main issues regarding induction; to complete the daily routines a rather small amount of information is enough. In an ideal situation there is enough information provided in order to not only complete the routines, but to understand the operational environment and thus be able to solve possible unexpected issues. (Kjelin and Kuusisto 2010, 202; Acevedo and Yancey 2011, 349) When an employee has enough information, one is able to work actively towards the common goals and take on initiatives that direct the organization towards its vision (see picture 3) (Lehtonen, 2013). This broader and more systematic process called onboarding is a phased approach in which the focus is more on the success factors and company culture than on traditional human resource policies (Derven, 2008, 49 – 50). In the case company this is essential as it is very important that the employees are kept up to date regarding the company’s vision and goals. If even the basic issues have to be learned independently, it is difficult to understand the whole operational environment of the company.

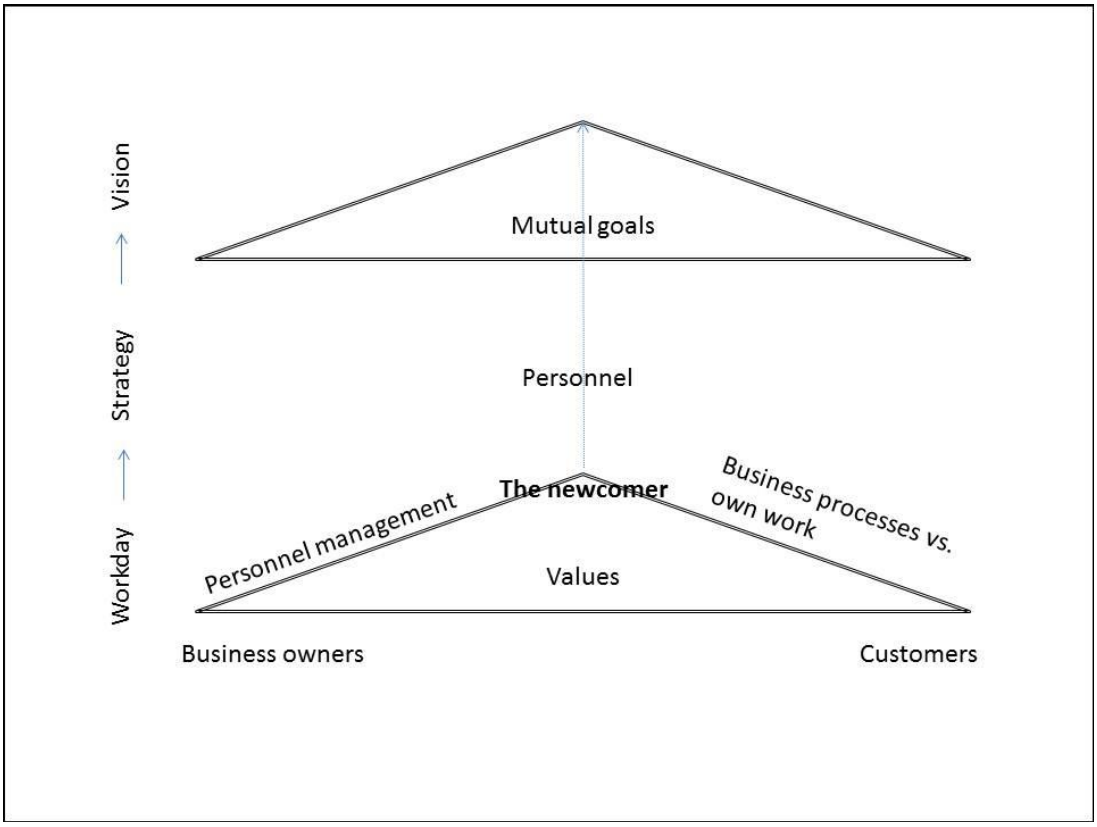
In order to execute a proper orientation for the new employees the induction should be well planned and the responsibility areas should be clearly defined. Ideally there is a mutual feeling of a shared responsibility in the organization and the whole working community participates in the induction process. Also the stages of the orientation should be planned; which issues are taught first and which can be postponed? The methods of the training should be chosen based on the individual since people are different as learners. Some people prefer reading materials while others learn best by doing. How do you follow the progress of the induction? By writing a learning diary or by having feedback sessions? (Kjelin and Kuusisto 2010, 199 – 201) Importantly, the proposed outcomes of the orientation should be also assessed. In order to evaluate the new employee's performance, the desired goals of the induction process should be communicated. (Monster 2013)

The nature of the work in the case company poses a challenge for the induction process; the employees work in shifts and several activities occur simultaneously and thus it is difficult to train the employees step-by-step. Shift work also creates a challenge in assessing the roles and responsibility of the orientation. Based on the observations there should be a person who is clearly in charge of the induction process, but in practice the whole cafeteria team should be involved in it. Without a clear assignment of roles problems are more likely to arise as presumed by Koskinen & Peiponen (2010, 38).

Several issues that affect the success, content and length of the induction process depend on the new employee. Previous job experiences and the expectations towards the induction modify the induction process. The organization must ensure that the induction is customized for each new employee. (Great Place to Work, 2012) Generally younger employees require more guidance compared to an older employee who already has more job experience. This problem also occurs at the case company; sometimes relevant information is not shared, as the people responsible for the induction are more experienced employees who might take some matters for granted. The organization must identify those employee characteristics the firm will require to execute its strategy. (Dessler, 2013, 272) The induction process should include an orientation discussion regarding the contents of the induction, the past experiences of the employee and defining the strengths and weaknesses of the employee(Kjelin and Kuusisto 2010, 163). It is essential to identify the employee’s current skills and compare those to the skills that the job requires. Thus the training needs of each individual can be assessed so that the required need of skills for working are met. (Shivarudrappa, D.; Ramachandra, K.; Gopalakrishna, K.S. 2010, 66)

The evaluation of the training period is essential. There are several ways to evaluate training. Employees can be asked to evaluate the training or they can be tested after the training is completed. The training can be also evaluated from the customer’s point of view; for example if the amount of reclaims has reduced. The follow-up of the induction after a few months cannot be stressed enough. The manager and the new employee should discuss if the induction succeeded and whether some areas still require more training. It is not only important for the new employee’s training, but also for the development of the organization. Feedback regarding possible improvements on the induction process should be asked for. This way it is a continuous learning process for both parties. (Dessler, 2013, 298)

In the end of the orientation period, one should be able to understand the operational environment of the company and its values and the mutual goals. It is important that the newcomer understands how the processes and relationship between customers, employees and the company owners work (Picture 3). One of the cornerstones of the whole induction process is to communicate the company values and vision to the employee and interpret those into practice. The values should be present during the whole induction process. As the competitive advantage today is difficult to obtain, values become important as they affect people’s attitudes. A company does not have existing values and vision unless the employees know them. (Kjelin and Kuusisto 2010, Davidson 2002, 22, 126)



Picture 3. Induction emphasizes the general view (Kjelin and Kuusisto 2010, 203)

3 RESEARCH METHODS

Two different qualitative methods, participant observation and semi-structured interviews were used in this thesis. The objective was to gather reliable data about the current situation and needs regarding the company's induction process. The aim of this study is 1) to research why induction is especially important in the case company and 2) what should be included in an induction process for the case company.

3.1 Data collection process

Due to the fact that the author has been working for the company already for three and half years, collecting data through participant observation was a natural choice. In order to receive more in-depth data and to increase the credibility and objectivity of the data, semi-structured interviews were also used.

3.1.1 Participant observation

Participant observation aims at discovering the meanings behind peoples' actions and understanding 'what is going on' in social situations. The researcher tries to fully adapt to the group / organization. This way the situations and experiences can be shared with the members of the organization and a realistic picture can be received. This is especially important in management related topics –as this thesis is. Participant observation is also widely used in situations, where the researcher has been working in the organization. This is also the case in this research. In this thesis, the author's observations gave an idea for the research topic. Participant observation was also used to identify the challenges of the case company and that way identifying the research objectives. (Saunders et al. 2007. 282 - 284)

There are several roles that the researcher can take in the participant observation. In the case of this research, the author has taken the role of a participant observer. In this type of role, the purpose as a researcher is revealed to the organization. The objectives of the research were explained to other employees of the case company since the beginning of the study. Another aspect is also to gain trust in order to be able to adapt to the group and situations. The role of the participant observer is very time-consuming, however in the case of this thesis it was not a challenge as the author had been working for the company already for some years and had been able to make observations alongside working. Another reason for the author to choose the role of a participant observer is because it often tends to create openness and trust within the organization. (Saunders et al. 2007. 288 - 289)

In a participant observation process, the types of data collected can be categorized into three different groups: primary and secondary observations as well as into experiential data. In this research, the author has used primary observation, which refers to those situations that have occurred at a certain time and experiential data, which means those experiences and feelings that you undergo when going through the process you are researching. In both types of data, it is important to keep a diary in order to write down all the essential information received. The researcher kept a diary of each shift from April 2012 until October 2012. The notes were written as soon as possible after an interesting situation occurred, in order to avoid one's perceptions from being distorted or not to leave out anything essential. (Saunders et al. 2007. 290 – 291)

3.1.2 Semi-structured interviews

In this thesis, semi-structured interviews were used in order to gather data for the research. In addition to participant observation, the researcher decided to gather data in order to justify the observations and to find out if there were some additional research topics that the researcher had not identified.

Semi-structured interview is a non-standardized research method, in which the interviewer will cover certain themes and topics; however the questions may vary depending on the interview (Saunders et al. 2007. 312). Some of the questions used in the interview are the same, in order to gather demographic data, to make comparisons between the interviewees and their answers.

There are several reasons that have an effect on the decision to use a semi-structured interview (Saunders et al. 2007. 315). Perhaps the most significant factor in this thesis is that the nature of this research is exploratory. This means, that the meaning of the research is to "clarify your understanding of a problem, such as if you are unsure of the precise nature of the problem" as Saunders et al. (2007, 133) mention. This fact adds value for the research, as the intention is to confirm what the researcher has observed. Semi-structured interview also adds value to the research, as the words and phrases the interviewee uses may bring whole new meaning for the answers. There is also the possibility to redefine some of the research objectives, as in a semi-structured interview the discussions may lead in to some areas that one might have not though before. (Saunders et al. 2007. 315) The abovementioned aspects definitely add value to the research of this thesis.

Sampling technique used in this research is purposive sampling, which means that the researcher can choose the participants based on their ability to provide opinions on the research topics (Saunders et al. 2007. 230). For the semi-structured interviews, the researcher chose to interview the following people:

- All of the four permanent cafeteria employees as the cafeteria is the target area of this research
- The sales manager, as based on the researcher's observations, who has valuable ideas on the organizational development and views the organization from a different point of view
- The sales assistant, as the way the cafeteria employees do their work has a relevant impact on the sales assistant's work
- A personal trainer, who has worked at the case company since it was founded. This person also works at the cafeteria at times in case help is needed
- Three shareholders: one who is also the CEO of the company, one who also works in the organization daily and one who does not work at the company within the daily operations but has long experience in human resources

> The researcher has tried to choose the sample as widely as possible in order to see how the induction of the cafeteria effects the whole organization.

3.1.3 Reliability, validity and limitations

Discussing the reliability and validity of a participant observation, Saunders et al. (2007, 291) comment as follows:

> "Participant observation is very high on ecological validity because it involves studying social phenomena in their natural contexts."

However, the major risk regarding the reliability and validity of participant observation is observer bias. This means that as one is observing phenomena in a social world, that one is also part of, it is impossible to separate oneself from it. In this case, it is also infeasible not to trust one's common sense and experiences when trying to interpret those situations that we undergo. In other words, an observer bias cannot be avoided; however one must be aware of it and try to work on it. For example, one can contest the conclusions made by presenting questions such as: "Did he really mean that? Is there any other way this could be interpreted?". (Saunders et al. 2007. 292) Regarding this research, the risk for an observer bias is actual, due to the personal ties the researcher has within the organization's shareholders. It will be further discussed in this chapter.

When it comes to the reliability of a semi-structured interview, a simple response can be given; as Saunders et al. (2007, 319) mention

> "—non standardized research methods are not necessarily intended to be repeatable since they reflect reality at the time they were collected, in a situation that may be subject to change. The assumption behind this type of research is that the circumstances to be explored are complex and dynamic".

This is also the situation in this study. Each organization is a sum of its members –the people. Each person is a separate unit with their own feelings, thoughts and ideas, which have a big impact on the topic. As the organization in question is still young and likely to develop, the needs for an induction folder and which kind of, are likely to change. Thus the reliability of this study is debatable. (Saunders et al. 2007. 318)

The validity of this kind of a research is affected by the researcher's possibility to access the information given by the participants as well as the ability to draw right conclusions from the interviewees' language and way of speaking. (Saunders et al. 2007.319) The likelihood of different kinds of bias in this study is thus high and has an effect on the reliability and validity of this study. For instance the researcher might fail to develop trust with the interviewee. The likelihood for such a bias in this research it is high as the researcher has family ties with the management and the shareholders of the organization. This creates a high risk for not being able to gain trust of the interview participants and not receiving reliable information. In addition to this, the researcher is not an objective viewer of the study; there is the risk of pushing the researcher's own opinions and ideas too much, as she has been working for the company for three and a half years already and as mentioned before, has family ties within the organization members. In order to avoid this, the researcher tested her understanding by presenting a summary of the participants' answers in the end each interview. This way the researcher gave the interviewees a possibility to reshape their answers in case something was falsely understood. (Saunders et al. 2007. 319, 326)

There are some pre-actions that should be executed in order to ensure the highest possible credibility for the research; the researcher should gain enough knowledge on the organizational context of the case company. The employees of the company should be also informed on the research. Appropriateness of the location and point of time should be considered as well as the layout and form of questioning. (Saunders et al. 2007. 320 – 321)

The employees of the case company were informed by the CEO early before the start of the study that a research would be made and interviews would take place. About a week before the interviews would take place, the CEO of the company sent an informative e-mail (Appendix 1) for all the organization members to read, in which the following topics were discussed: the objectives of the study, the topics to be covered, the research methods, terms of confidentiality. Additionally, the interviewer would discuss the same topics with each interviewee separately in order to confirm the credibility and whether one might have any uncertainties about providing confidential information or how this information would be disseminated or used in this research. (Saunders et al. 2007. 323)

The researcher has gained a lot of information about the current situation of the organization, as she has been working in the company since it was founded in 2009. The researcher has also been working in different departments of the company, such as sales and invoicing in addition to the cafeteria which this study concerns. This creates added value for the study, as the researcher is able to see the organization from multiple viewpoints and how the lack of proper induction has an effect on the whole organization.

The location and timing of the interviews have an impact on the information provided by the participants. The place where the interviews take place should be one where the participants feel relaxed. It should be quiet in order to avoid the recording from being damaged and where no interruptions might occur. (Saunders et al. 2007. 321) The interviews of this research took place in a negotiation room in the case company’s premises. This location was chosen in order to make it convenient for the employees to participate in the interview before their work started. Even if it would have been more relaxed to implement the interviews outside the case company, this location was chosen in order to ensure the highest possible participation rate for the research. The interviews took place outside the employees’ working hours during weeks 47, 48 and 49. This is a high season time for the organization, which increases the credibility of the information provided by the participants as they face the development needs more often than in low season times.

The questions formulated for this interview were stated clearly and presented with a neutral tone of voice. Many open questions were used in order to avoid any bias to be created. Also long questions or questions formulated of two or more questions were avoided. The questions were formulated from practical point of view rather than a theory, as the interviewees might not have a clear understanding of some theoretical concepts. However, in case some theoretical terminology was presented, it was assured that the interviewee and the researcher had the same understanding on the words. The most sensitive questions, with topics related to organizational culture and leadership were presented in the end, in order to have enough time to create trust between the interviewer and the interviewee. (Saunders et al. 2007. 324 – 325)

The interviewer can have a huge impact on the outcomes of the interview. One should avoid commenting and generating non-verbal behavior. One’s position, wording or tone of voice should not lead the interviewee to answering in a certain way. However one should note that showing boredom creates also a negative impact; by using a neutral and interested voice and generating vigorous and open posture would ensure least possible interviewer impact on the results of the interview. The interviewer should also listen to the interviewee carefully and not only listen to the words, but also follow the non-verbal communication. Enough time should be given for the interviewee to generate the answers. (Saunders et al. 2007. 325 – 326)

The interviewer’s appearance might also have a negative effect on the outcomes of the interview. It may negatively affect the interviewees’ confidence or their credibility towards the interviewer. This is why it would be important that the interviewer would be dressed in a similar way as the participants. (Saunders et al. 2007. 322) In this research, it means that the outfit would be very casual. The interviews would take place before one’s working time, which means that one would normally dress in a casual way before changing the working clothes. It is important not to create any sense of inequality that the researcher is not dressed too formally. However, it must be noticed that interviewer should not be dressed too casually in order not to lose credibility as a researcher.

The next chapter will discuss the importance of induction for the case company as well as the structure of a possible induction process for the case company.

4 DATA ANALYSIS

The researcher finds that the interviews were very successful and valuable material was received. The fact that the interviews were recorded created some uncertainty and reluctance in answering the questions; the interviewees were more comfortable with discussing the most sensitive issues when the recorder was turned off. Also the researcher felt that at times it was difficult for the interviewees to talk as the interviewer did not reply to their answers nor told her opinions.

For this research, the researcher interviewed ten people from all the levels (employees, managers, shareholders) of the organization in order to get as versatile results as possible. (Interview questions in appendix 2). All interviewees were not asked all the questions; based on the position in the organization, some of the questions were left out. Although this research was done in order to develop the induction process of the case company, the interviews revealed some valuable information on other development needs as well. These topics will be further discussed in 4.2.

The age distribution of the interviewees is as follows:

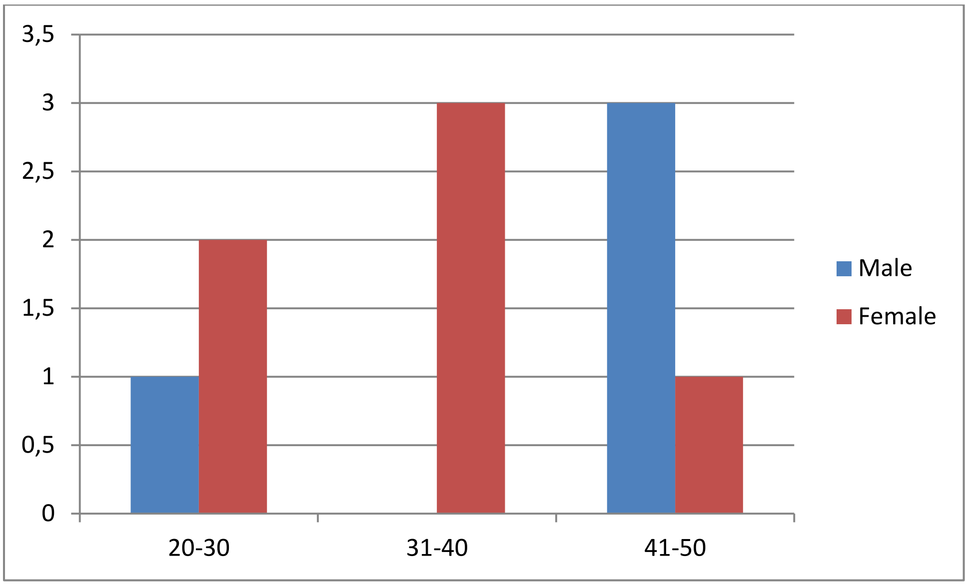


Table 1. The age distribution of the interview participants

4.1 The importance of induction at the case company

Throughout the interviews, it was clearly addressed that induction is an essential part of the case company. However, the opinions between the employees and the company management differed significantly on understanding why induction is especially important at the cafeteria. The managers did not have a clear opinion on how the induction should be executed or why there is a considerable need for a systematic induction at the cafeteria. This is something that is very crucial to notice and sends a clear message: the company management is not aware enough of the daily situations and challenges faced in the cafeteria. The researcher believes that this research provides valuable information on the importance of induction and moreover, on training and development for the company management.

4.1.1 Employee & customer satisfaction

The researcher finds that the research participants were all very unanimous on the importance of induction. The respondents agreed that the induction is at the moment defective and unorganized: nobody is clearly in charge of it and it is not systematic. It is mostly implemented along with everyday work. The interviewees clearly identified that induction is something that needs development and it needs to be given enough time to implement.

As seen from table 2, all of the respondents agreed that induction has a significant effect on the employee motivation and customer satisfaction. One of the interviewees mentions:

> “Of course it is more motivating to work if one does not have to learn everything through mistakes”
>
> (Interviewee 3, 1.11.2012)

The results support Kjelin’s and Kuusisto’s (2003, 20 – 22) claims on induction’s effect on employee satisfaction; at the early stages of employment, new workers normally have a high motivation towards their work and poor induction can damage it.

All of the interviewees’ agreed that induction is important as it is the first process that the new employee faces in the company. The management of the case company also presents:

> "It is important that induction is well handled, otherwise it gives out an unprofessional image to the new employee. It might also affect the public image of the company, because people always talk”
>
> (Interviewee 8, 12.11.2012)

Again, the results support Foot and Hook’s arguments (1992, 202; 2008, 293) of induction being an important part of internal operations affecting the public image as well as creating a feeling that the employee is expected and welcomed to the company.

KT Kuntatyönantajat 2011 explains that poor induction lowers work results and harms customer satisfaction. The research results also support this statement. Many of the interviewees revealed that one often faces situations where the customer does not get the right answer or gets no answer at all. One of the permanent employees interviewed points out:

"I must admit it is too often when we face such situations when one has to tell the customer that I don't know. It is impossible to remember everything, as that information is written down nowhere"

(Interviewee 4, 2.11.2012)

Also, the observations made through working in the case company show that poor induction lowers customer satisfaction. One has often faced customer feedback on poor internal communication or lack of employee expertise.

Kjelin and Kuusisto (2003, 20 – 22) also mention that poor induction weakens employees' commitment and thus increases the risk of high employee turn-over. The research does not support this argument clearly and thus it is an interesting topic for future research. In the case company, the annual employee turnover is currently approximately 15 employees. Most of it is natural turnover as the case company has many students working part-time. However, in the researcher's opinion adapting a profound induction process would decrease also the employee turnover.

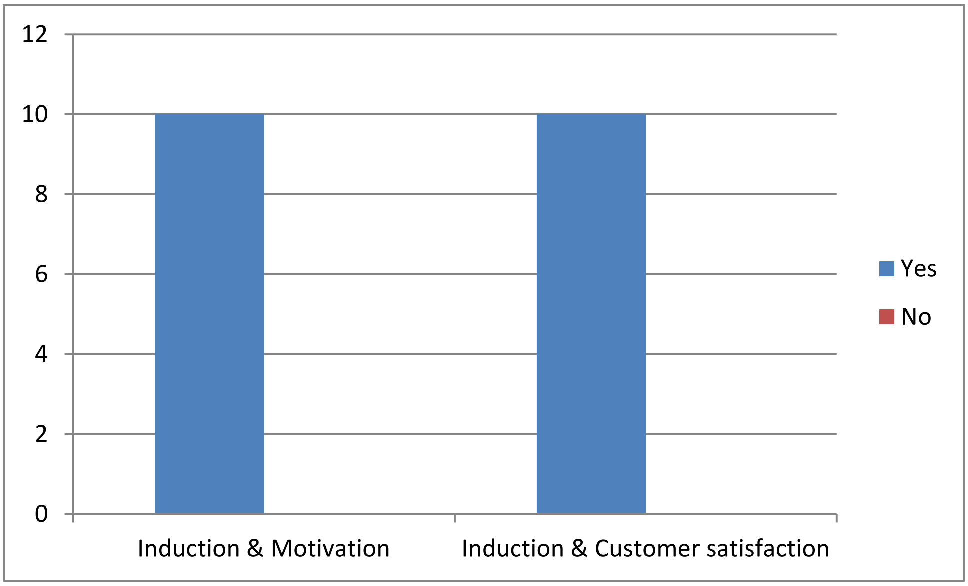


Table 2. Induction's effect on employee motivation and customer satisfaction

4.1.2 Performance management

The research results support the arguments given by Purcell and Boxall (2003) about performance consisting of three elements: ability, motivation and opportunity. Ability is referred as providing the employees with necessary skills and knowledge. In this theory motivation is referred to as rewarding and opportunity as providing the employees a chance to develop their own job and skills and take initiative.

As discussed previously, most of the respondents felt that induction is an important part of performance through employee satisfaction. The respondents claimed that induction could increase their motivation and simultaneously improve performance.

Half of the respondents mentioned that there is a need for regular development discussions in order to improve the operations further and to be able to bring out their own ideas. However most of the interviewees added that it is easy to give feedback but it seems like it is not being acknowledged. This creates frustration and negatively affects motivation.

The cafeteria employees also thought that they should have some kind of reward system for their job as the work is very challenging and hectic at most times. One of the permanent employees state:

> "Developing the reward system at the cafeteria would be encouraging. Establishing goals for cafeteria work and rewarding when achieving those goals would definitely make people work more effectively."
>
> (Interviewee 3, 1.11.2012)

This view clearly supports Purcell's and Boxall's (2003) recommendation on rewarding being a significant factor in performance. In the researcher's opinion, the company should set clear targets for the cafeteria work. Achieving those goals should be acknowledged and employees should be rewarded. In such case, it should be considered whether it would be financial or non-financial means. The permanent employees are already entitled to use the gym and group gymnastics services for free, which is why posing other non-financial rewards would be challenging. Also, considering the financial situation of the company, current chances of providing financial rewards are limited. Yet, majority of the cafeteria employees agreed that if only the management level of the case company would express their interest more throughout daily, unofficial communication, it would be enough. The employees said it would improve motivation. Such arguments also support Bratton's and Gold's (2003, 288 – 289) claims on monetary rewards versus nonmonetary rewards; they recommend that the way employees are being treated can increase performance more than the amount of money they get. These findings are essential regarding the case company's financial situation as well; increasing the internal communication would thus result in higher employee performance, however not being a straight cost for the company.

4.2 Practical perspectives for an induction process at the case company

As Kjelin and Kuusisto (2010, 203) illustrate in picture 2, the induction process should emphasize the overall picture of a company. In the case company, it is very crucial to understand the whole operational context. The work of every unit at the case company affects one another and they cannot work independently from each other.

As picture 2 illustrates, the induction process should aim at the mutual goals of an organization, which are achieved through mutual values. In the case company, the main goal was clear to everyone; to increase the number of the gym customers, which is the main task of the sales team. This brings out a question: what are the targets and goals of the work in the cafeteria / reception? When asking whether there should be a goal set for the cafeteria / reception work, the majority of the respondents were somewhat uncertain whether there should be a goal for their job. Based on the observations occasionally it is difficult to work at the cafeteria as there are no principles that guide the work. For example, during rush hours it can be difficult to prioritize the work: whether the gym customers or the cafeteria customers should be served first.

Davidson (2002, 126) recommend it is important to establish values for obtaining the competitive advantage. At the case company, the values have clearly not been established. When asking the interviewees a question about the values in the case company, most of the respondents did not exactly understand what the question was about, some of the interviewees even said they had not thought about the values at all. After all, the opinions of the employees and the management differed significantly. Most of the employees simply felt that a shared value in the company is to work hard, whereas the upper management contradicted that the company would be a preferable and desirable place to work. Clearly, the management has failed to communicate the values for the employees. Kjelin and Kuusisto (2010, 202) suggest that values should pass through the whole induction process. The research presents that this recommendation is not executed in the case company. Values are essential guidelines for every employee and thus it is essential that they are established. Moreover it is important that the values are shared in the organization and that they are interpreted in practice.

As suggested by Dessler (2013, 272) an induction program should be customized according to the individual needs of each employee to ensure that they learn the required skills to work efficiently. The research in the case company shows that there is a gap between what the new employees would need and what is actually implemented within the induction. For example younger employees with less working experience clearly wished for a more thorough induction. In the case company, as normally experienced employees teach the new employees, some important aspects, that the newcomer does not know, might be taken for granted. There are many young students working in the cafeteria part-time and it would have been interesting to find out their views, as they are an important asset in the case company's resources. However due to the limited resources of the study, this was impossible. This can also be considered as a further topic for research, because one of the challenges is actually the question of how to execute a thorough induction for part-time workers. Naturally the age itself had an impact on the answers given, however the research identifies the major influence being the working experience and the position in the organization. The more working experience the new employee has, influences more than the age of the newcomer. This research supports the views of Kjelin and Kuusisto (2010, 163) who suggest that the induction process should include an orientation discussion. The tutor and the new employee would discuss the possible contents of the induction process according to the new employee’s needs. This would minimize the risk of important information being left out from the induction, which at the moment is being observed in the case company.

Kjelin and Kuusisto (2010, 199 – 201) also discuss the importance of clear roles within the induction process. The research shows that in the case company, roles are one of the main issues in the implementation of the induction. As pointed out earlier, at the moment, there is no one in charge of the induction process at the case company. The cafeteria manager is responsible; however this is not implemented in the case company. For example, when the latest new employee started, the cafeteria manager was on vacation and a day before the new employee started, the other employees started planning what should be done tomorrow. This study supports the views of Kjelin and Kuusisto (2010, 199-201) that the roles should be clear in the induction. It is especially important in the case company, because the work is done in shifts. The induction should be more closely planned, as the new employee might work with three different people on the first days. Another suggestion is that the new employee would start working in the same shifts with a named tutor, the cafeteria manager for example. It is important that the new employee gets enough support on the first days. The research revealed that at the moment in the case company the new employees do not get enough support; for example one of the employees was left alone in the night shift on the second day. During the interviews, it came up, for example, that when a new employee visits the case company the first time, there are actually two people in the management who introduce the company and explain about general practices at the company. However, these managers do not discuss with one another to plan how to divide the induction process. Thus, the new employee might receive the same information repeatedly.

In general, the interviewees thought that the roles and responsibilities should not be too strictly defined in the cafeteria, as it is important that each employee knows all the tasks. However, for busy days, many employees agreed that the roles should be defined. The cafeteria is physically a very small place and as many employees are working at the same time, hassle is created as everyone is trying to do everything.

4.2.1 An ideal induction programme

Currently the induction of the cafeteria has many shortages and is being organized through the motto “learn by doing”. The company has now grown into a point where it is no longer possible for the employees to learn their work only by doing. In order to develop an induction program, the major challenges of the case company’s cafeteria must be identified. In addition to the major challenges identified earlier, the interviewees made the following observations.

The company is open seven days a week from 10 a.m. to 10 p.m. (except on Saturdays from 10 a.m. to 8 p.m.). The cafeteria / reception is run in several shifts and the cafeteria manager cannot work all the time. This means that unless the manager is on the current shift, there is no one in charge of the cafeteria. Nevertheless there should be a person defined who is in charge during each shift.

The fact that significant amount of part-time employees is used increases the amount of errors as these employees often have had the weakest induction. This also takes a lot of time from the permanent personnel’s resources as they must constantly give advice for the part-time workers.

> ”It is important to have a proper induction, especially for part-time workers, as we need them but obviously the possibility for mistakes to occur increases a lot when they are not well oriented. It also strains a lot the permanent employees as they constantly need guidance”
>
> (Interviewee 3, 1.11.2012)

The usage of the computer software is difficult as the cafeteria employees should also handle invoices, which is not part of their core job. As these people do not know the system from this perspective, there is a risk for errors to occur often.

As already mentioned in the beginning, the cafeteria works as a reception for all the services the company offers, which means that employees must be well aware of all of them. The research points out extent of the work and large amount of information being the major challenge: How to induct the new employee with enough information on all the services, but not to make it too overwhelming with unnecessary information.

In order to respond to the abovementioned challenges, there must be a systematic induction program and enough time to plan and to execute it (Kjelin and Kuusisto 2010, 199 – 201). It is also essential that the current abilities and skills of the new employee are taken into account and how much training one needs in order to achieve the needed skills to meet the objectives of the work (Dessler, 2013, 298). It is important that the new employee feels that one is welcomed to the organization, because the first day is always memorable – in good or bad (Great Place to Work, 2012).

The research emphasizes the importance of understanding the overall picture of the company in the beginning of the induction. However the main focus needs to be on the new employee's coming department, which in this case is the cafeteria. Yet the employee should not be confused with too detailed, unnecessary information. For this reason, there should be a common induction for each new employee, despite of which part of the organization one will work. After the common orientation, one would get oriented to his / her own job with a specific induction. Ideally a specific induction program for each department of the company is organized (organizational chart, picture 1) and the head of each division would be in charge of planning and executing it.

The study suggests the following induction process to be undertaken in the case company's cafeteria

1) General induction: On the first day the CEO would welcome the new employee and give a company overview presenting company background and all the services offered. The new employee would be introduced to other employees and their

responsibility areas. Most importantly the CEO would show the premises to the new employee, as mentioned in the beginning, the area in which the company works is very large, 10 000 m^2 in 4 different floors.

2) The next step is where the new employee would be oriented to the cafeteria by the cafeteria manager. First, there would be a discussion on what are the new employee's former working experiences like: what are the strengths and weaknesses and how would one wish the induction is carried out. After this, the practical induction would start: During the first week the new employee would be only educated with the core tasks of the cafeteria / reception. During this period, the new employee would work with the same tutor in different shifts. It is important to offer enough time together with another employee and not to leave one alone to work a shift after a few days.
3) After a few weeks, the new employee would go around the organization to see how other teams' work affects the work at the cafeteria and vice versa. This is a very important phase, as one would learn about the most challenging situations, which at the moment are the invoice and gym contract related issues.
4) A separate education on the IT-system would be given to the new employee, as the lack of proper control of the system creates often problematic situations at the cafeteria / reception.
5) When the new employee has been working in the company for a few months, there is a time for a follow-up discussion with the cafeteria manager; how has the induction worked out for the new employee? Is there still something that one feels uncertain about? At this point it is also crucial for the tutor to ask how the induction program could be still further developed.

To support the induction program, the case company requested for an induction folder to be developed. One of the objectives of the study was also to research the scope of such induction materials. The study revealed a need for two separate folders; one introducing the company and discussing the operational environment as well as its values and vision. Another work for the cafeteria would explain the practical tasks that are ought to be done on each shift.

To support the implementation of an integrated induction program, the study considers the development of the internal communication essential. The working environment is hectic with several events taking place often. The employees should be up to date with all the upcoming activities order to be competent at delivering quality customer service. The internal communication cannot be run through post-its, as it is now. Before the company acquires an intranet for the purposes of internal communication, the research suggests that meetings among the key employees and managers are arranged weekly with e-mail being the main communication tool. After each meeting, managers inform their subordinates with updated information via e-mail on the upcoming events.

During the research, it was also noticed that the IT-skills of the employees vary greatly and due to lack of proper IT-skills, some people even avoid using e-mail. People should be encouraged to use all the available communication tools and require the employees to read their email at least once a week.

When providing new employees with a proper induction one must acknowledge that the current employees in the organization have not received such an orientation. Assuming that the proposed induction program will take place in the case company, the study suggests that the new induction program being tested with the current employees. Thus the current employees are trained to achieve the necessary skills and abilities. Simultaneously the effectivity of the new induction program is being tested.

4.3 Other findings

As mentioned earlier, the research pointed out additional information of an important topic related to leadership of the case company. Due to the terms of privacy and anonymity this issue cannot be profoundly discussed. Nevertheless the research identifies the issue being important as it affects the whole organization and its members. The interviews revealed that the company management is occasionally inconsistent. The study implies that there is no clear vision and values are not agreed in the case company. For this reason the managers often operate according to their own viewpoints and inconsistency is being created. This poses challenges for the middle management in guiding their subordinates, as one interviewee clarifies:

> "In theory I know who my supervisor is but in practice there are two leaders telling me different things. They really should sit down and really think through their responsibility areas" (Interviewee 6, 7.11.2012)

This is an importance of leadership in each organization cannot be stressed out enough, as Timo Helosuo, the CEO of Management Institute of Finland presents: "The employee performance can be increased almost by one fifth by developing leadership and communication skills" (Kauppalehti 2012, 16).

5 CONCLUSIONS

This thesis argues on the importance of an induction process as a part of a company's human resource practices. Several factors affect the success of an induction process and it can have multiple objectives.

Induction has a straight effect on the quality of customer service and only trained employees who are up to date on relevant information can deliver quality customer service. Induction also indicates how the company takes care of its employees and yet, induction is the first process that the new employee faces. Thus a company can create a memorable first impression – in good or in bad. Well executed induction significantly accelerates employees' learning as there is a clear program to be followed and the employee knows what is ahead. It also has an effect on employee turnover; as people are effectively oriented, they are more likely to stay in the firm for a longer time.

Unquestionably developing a systematic induction process at the case company is necessary. The company has now grown into a point where it is vital to create and reinforce certain organizational systems. Based on Greiner's model of organizational growth, the case company is currently in between phases 1 and 2. Since the opening in 2009 the amount of permanent employees has grown from the amount of 5 people to 16 in three years. As the company has a large service range and the employees need to adapt to a considerable amount of information is wide, an effective induction process is a prerequisite for delivering quality customer service.

Currently the induction within the case company is run along with daily routines. The opening times and shift work as well as weak internal communication create major challenges at the cafeteria. As it is often very hectic, important information might be forgotten to pass over. On top of this the research revealed that the organizational values in the case company are not mutual; the opinions between the employees and management differ greatly regarding this matter. Emphasizing organizational values is one of the key elements for a successful induction.

The research presents the following elements being important in creating a systematic induction process for the case company. First, the company should assess the he employee training needs to match with the company's objectives and thus create a customized induction program for each individual. The responsibility of planning the induction process should be clearly defined. In practice the responsibility of the induction program's implementation ought to be shared. The process should be gradual; the most necessary information should be given first and the training should be extended step-by-step. In order to understand the whole operational environment, certain elements of job rotation are suggested. The research strongly recommends that induction process should also reflect the company values and discuss how those are interpreted in practice. Based on the research the case company has not set clear values which create problems especially for the middle management of the company. In the end of the induction period, the organization should provide the new employee the opportunity to discuss the possible areas that still require more training. Additionally it is a valuable chance for the company to develop the induction process

The suggested induction program created through this research should be first tested with the current employees in order to point out possible weaknesses of the program but also to train the current staff for the desired level.

The case company has great opportunities for high growth but in order to deliver high quality customer service and achieve the strategic growth objectives, an induction process must be developed. For the implementation of the proposed induction process and other suggestions mentioned in this work, the researcher also proposes the organization to hire a human resource manager or alternatively educate the current managers in human resource management. Additionally, the researcher suggests that the case company would create a separate reception for the gym customers. This would make the reception services more customer friendly but also cut down the work load of the cafeteria employees.

Even if induction is arguably one of the most important human resource practices, yet it should not be the only form of training in the case company. Ideally, not only this research improves the quality of induction, but also provides perspective for applying continuous training and development practices. Thus the researcher provides the case company with a few important topics for future research. As already discussed previously, how to provide an effective induction for part-time employees? Part-time employees are an important source of labor force in the case company. However weak training can increase the risk of mistakes and low motivation. Part-time employees do not have the possibility to develop along daily work. It can be also researched whether such an induction process decreases the rate of employee turnover. Also the additional findings provided in this work evoke a second topic for possible future research. Why and how to implement human resource management in the case company and why is it important in service industry? As being discussed previously, employee performance can be raised notably by investing in internal communication and leadership.

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Information letter for the employees

Hello all, 24.10.2012

The interviews on the thesis regarding the development of an induction process will be started as soon as possible. The aim is to develop the induction process to be more systematic, so that it would be easier for the new and current employees to work. For the research part of the thesis, some information is needed and it will be collected through interviews. Due to limited resources, only a certain part of the employees will be interviewed, however the sample will be chosen as widely as possible.

Each of the participants will be personally contacted and the place and time for the interviews will be agreed separately with each participant. The interviews will be recorded in order to ensure the liability of the results. The interview materials are only used by the researcher, which means that participating in this research is confidential. The results will be handled anonymously.

We wish that everyone that is asked will participate in this research, so that we can develop our organization further.

Interview questions

Date & Time:

- Age
- Position in the organization
    - Cafeteria / Reception employee
    - Other personnel
    - Company management / Shareholders
- For how long have you worked for the company?
- Previous experiences on induction
    - Inductioner
    - Inductionee
- How would you describe the induction process at the cafeteria / reception at the moment?
    - Who is in charge of it?
    - How is it organized? What is the timetable?
    - Are the roles and responsibilities clear enough?
    - Were you satisfied with your own induction at the company? If not, why?
- Why is induction especially important at the cafeteria / reception? For which task?
- How does induction affect your job?
- Does induction have an effect on motivation?
- Does induction have an effect on customer satisfaction? Can you tell some examples?
- What would an ideal induction process be like?
    - Timetable, materials, tutors
- Is there a need for an induction folder in the cafeteria? What would it include?
- What kind of values do you see in this organization?
- Do you get enough support and guidance from your supervisor at your daily work?
- Is it clear enough for you how the company's mission and vision can be interpreted at your work?
- Do you think your opinions and development ideas are being heard and valued?
- What is your ideal manager like? Does it come true in this organization?
- What is an ideal employee like? Does it come true in this organization?
- What do you think about this organizational structure? Do you see it like this or in some other way?
- Do you have any other comments / ideas that you want to bring out?