Development of Human Resource Management in SME.

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Abstract

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The thesis aimed to strategically develop Human Resource Management in SME by developing, standardizing, and facilitating the operations within the department. The purpose followed during the thesis was to enable the growth of the case company and to promote the development of the operations of the HR department.

The thesis was conducted as action research, also referred to as participatory research. At the beginning of the research, the researcher started their employment in the case company, which enabled the immediate execution of some concepts presented in the thesis as well as allowed to focus the research on problem-solving within a case organization.

The primary methods of data collection for the research were interviews, participatory observations, and workshops. The semi-structured interviews were conducted at the beginning of the research, followed by the participatory observations due to the high linkage of the research to the work responsibilities. The workshops conducted by a fellow master's degree student as a part of his/her thesis project created a basis for drawing the results of this research as well as for generating development ideas in the scope of this thesis.

The workshops were carried out on the topic of recruiting development: recruiting year clock, a timeline of the recruiting process, recruiting process, recruitment survey, interview template, and interview case task. The participatory observations were applied to strategically develop the HR department of the company by developing the following concepts: KPI management, reward system development, additional certifications, and annual training.

The process of research started in spring 2022. The workshops were conducted during autumn 2022.

As a result of the research, the framework for the recruiting processes within the company as well as strategic development suggestions for the HR department were created. The created results are set to positively affect the case company's strategic objectives, standardize the processes within the HR department, and ease the processes of recruiting and employee development in the future.

Keywords
Recruiting, recruiting process, employee development, employee training, HR development, SME.

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1 Introduction

Human Resource Management (further: HRM) is seen as an essential factor for any company to successfully compete in the market and to maintain the flow of operations for sustainable growth. With tight competition in the market, a well-developed and organized HRM is set to create a competitive advantage for a firm not only by strengthening the brand position on the market but also by creating a more attractive environment for employees.

1.1 Objectives, research questions, and scope of study

The thesis is meant as a development process of the Human Resources (further: HR) department in the company X. Specifically, the thesis research examines and partly implements the suggested ideas. The cooperation with the case company has arisen from the particular interest of both parties. The author of the research received the position of HR assistant at the start of the research project in March 2022; therefore, the development ideas are executed as a part of both thesis research and work responsibilities.

The objective of the research work and thesis is to strategically develop the Human Resource department (further: HR) and to integrate the new approaches into the company X. At the beginning of the research process, the company X did not have a structured HR department as well as a strategic and structured scope of HR operations, which has been identified as a gap in operations for the overall company. The following research conducted both in terms of thesis research and job framework was expected to structure the operations as well as to suggest the long-term planning facilitations for the case company. It has been stated by the Managing Director (7 February 2022) (further: MD) of the company that “the absence of the HR department in the company limits its capacity to grow and extend the operations”, therefore, the project reflects the direct needs of the company in question.

The goal of the thesis is to create a strategy for the HR department to leverage the company’s capabilities by enhancing and standardizing the operations of the HR department to correspond to the company’s overall strategy and targets. The research questions set to reach the objective of the thesis are the following:

- How can the recruiting process of the company X be improved?
- Which KPI metrics of the HR department are the most efficient for executing the company’s X strategy and processes?
- How can the reward strategy in the company X be developed?
- Which additional trainings are most needed and essential for the company X?

1.2 Structure of thesis

The research work consists of the theoretical framework developed around the concepts of HR and HRM, gradually focusing on the implementation of those concepts in small and medium-sized enterprises (further: SMEs) and the development process implemented in the case organization. The major concepts considered in the research are personnel recruiting and employee training, upskilling, and development.

The theoretical framework of the thesis starts with the introduction of HRM and its brief historical development. The chapter examines the major concepts of HRM focusing on its historical development and the current importance of the consistent development of the processes. Chapter 3, focused on the development of HRM, narrows down the attention of the reader to the case of small and medium enterprises (further: SME). The chapter introduces the description of SMEs and the role of HRM in such organizations. Further, the chapter develops an understanding of the importance of the strategic approach to HRM development and HR operations. Chapters 4 and 5, finally, come down to the operations of the HR department examined in the empirical part of the research: recruiting and employee development. Chapter 4 presents the approach to the planning and implementing stages of the recruiting, basing the discussion on the SME case, while Chapter 5 introduces the KPI metrics and their relevance to organizations to maintain consistent organizational development through personnel engagement and training.

The empirical part developed during the research contains the improvement suggestions for the case organization to be implemented. The first part of the empirical part develops the recruiting process and presents examples of the process for two distinct positions: cleaning personnel and sales personnel. This part of the research contains the practical modifications to the processes currently employed in the company with the perspective of standardizing and facilitating the overall flow of the recruiting operations both from the perspective of the company and the potential staff.

The second part of the empirical part is focused on the learning and development of the employees of the company. The learning and development project suggested is based on the development of the KPIs (Key Performance Indicators) of the HR department following the company’s goals. The second part of the empirical part also contains suggestions for measuring tools of the KPIs and employees’ or employee groups’ contribution towards them. The chapter also covers the description of the additional certifications possible to be received by the employees of the company as part of the learning and development project. Finally, the chapter proposes a preliminary plan for the annual training integration as part of the development process for the company's employees.

1.3 Case company

The X Oy was established in 2006 as a small family enterprise specializing in cleaning services in the capital region of Finland. Through the years of operations, the company has grown to a medium-sized enterprise with an outstanding quality of operations and more than 70 employees in the register.

The company's structure consists of the managing director (co-owner), four line managers, and the finance manager, responsible for the decision-making processes in the company. The rest of the employees are employed based cleaners and team leaders.

The company specializes in general and deep cleaning, maintenance cleaning, office, and construction (post-renovation) cleanings, as well as rare cleaning projects for individuals. The company mostly cooperates with governmental enterprises on a contracted basis through the participation in tenders. In the past years, the company has been seen switching operations towards the private market as well.

The services of the business mainly cover the Helsinki Metropolitan area, Vantaa, Espoo, and Tampere. The company's headquarters is in Helsinki with the sub-department in Tampere.

2 Human Resource Management

It is frequently argued that the stronger Human Resource (HR) system is possessed by the company – the stronger the company's strategy is (Fisher, Schoenfeld & Shawn 2006, 7). Since the field of HR and HR management (HRM) enables communication between the stakeholders of the organization (e.g., employee–employer) and interconnects the departments of the organization, the system of HRM applied in the organization can have a significant influence on the company's strategy and performance (Armstrong 2020, chapter 1).

2.1 Definition of HRM and a brief history of the concept

According to Armstrong (2020, chapter 1), the concept of HRM centered around the function of selecting, recruiting, and managing the workforce as well as human resource policies within an organization considering the development of the individuals within an organization. Managing the employees, regulating labor-specific relations as well as enabling the functions of employment and remuneration of the employees have been seen as the foremost value delivered by HRM (Subba Rao 2008, 2).

HRM, as a distinct discipline within an organization, appeared in the late 80s as a term describing the way of managing people instead of managing personnel (Armstrong 2020, chapter 1). Boxall and Purcell (2022, 8) have stated that people should not be considered only as the resources of an organization that potentially contribute to the financial component, however, it has more to do with developing people and building sufficient and trustful relationships with people belonging to the organization: "they (managers) are involved in creating a network of relationships among these people that combines their talents into the collective outcomes on which the business depends*"*. People management, in turn, enables acting on behalf of the people's interests that correspond with the social responsibility of an organization.

The main difference between people management compared to personnel management refers to the employees of an organization as individuals instead of interchangeable and exploitable resources People management, unlike traditional personnel management, puts a higher interest on employees' well-being, happiness, and development opportunities within an organization as well promotes more trustful relationship building between employees and management. (Armstrong 2020, chapter 6.) The theory was later confirmed by Zahraei and Pitts (2020), who stated that employees whose needs, requests, and well-being are openly met by the management bring higher contributions to the organization through increased motivation, involvement in the process, and, consequently, higher productivity. Understanding the strong potential of people in the organization, high-performance work practices (further: HRWPs) were introduced in the 90s as a concept facilitating the competitive advantage gained through networking and collaborating with employees of an organization.

With the appearance of the HRWPs, the linkage between the employees' well-being and the company's performance has become clearer: by adopting HRWPs companies have managed to create a stronger competitive advantage on the market by recruiting the best candidates and developing them following their own and organizational needs, creating a positive and impactful cooperation for both parties (Tawk 2021, 398). The alignment of the HR practices with the organizational goals and interests of employees in the organization has created a concept of vertical fit, which is set to enable the consistency of organizational targets, aims, and goals along with sufficient employee development. In other words, vertical fit establishes the direction of and trajectory of organizational development through enhancing and strategically aligning the goals of an organization with internal characteristics and HR policies. On the contrary, the concept of horizontal fit enables the cooperation between various HR policies and practices implied within the department. A generalization of HR practices and policies and their contribution to the firm's higher performance was conceptualized as an AMO framework. (Gerhart 2007, 318-331.)

2.1.1 AMO framework

AMO performance-based model claims that organizational performance is highly dependent on the individuals' abilities, motivations, and opportunities to execute their responsibilities (Boxall & Purcell 2022, 180). The AMO theory can be summarized as the following formula:

$$P= f\,(A, M, O),$$

where *P* indicates Performance (individual's performance in the organizational context), *A* – ability, *M* – motivation, and *O* – opportunity (Gerhart 2007, 321-322). Hence, according to Boxall & Purcell (2022, 181), opening up the formula states that higher performance rates are achieved when employees have:

- an ability (*A*) to execute the job functions (they *can* apply the possessed skills and knowledge)
- a sufficient level of motivation (*M*) to execute job functions (they are *willing to* and *will* contribute to the working processes)
- an opportunity (*O)* to execute the job functions (the resources of the organization provide an empowering and high-quality environment for job execution).

AMO framework, therefore, has a direct linkage between individuals' development and well-being in the organization and the company's goal achievement. It is, moreover, possible to assume that increasing or enhancing one dimension will consequently lead to a decrease in the overall result, i.e., performance. In this case, the essence of the aligned and structured HRM practices directed at the improvement of the AMO components catalyzes the overall company's performance on the market. (Armstrong 2020, chapter 4.)

The AMO model as a framework of enhancing the HRWPs is presented in the Figure 1 below:

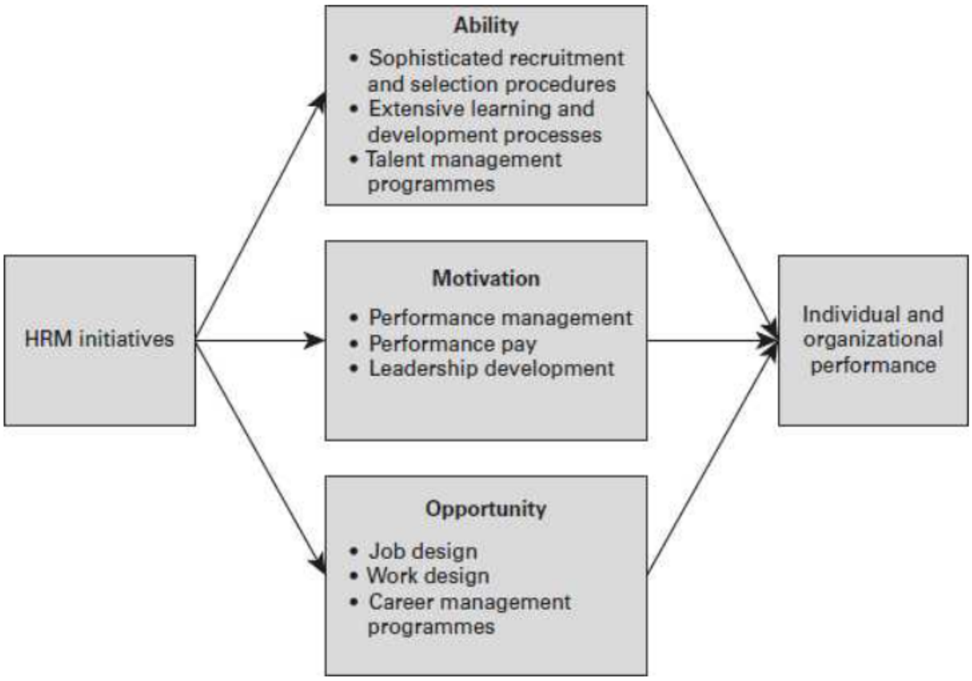

Figure 1. AMO model as a framework for enhancing the HRWPs (Armstrong 2020, chapter 4)

In other words, the AMO framework is essential for the scope of HRM due to its high correlation to understanding, managing, and improving both employee and organizational performance. Based on the AMO framework, HR professionals can identify current or future (potential) challenges within an organization and solve those issues accordingly and in the most sustainable for employees and the organization manner. The solutions to the key issues discovered using the AMO framework lay in enhancing employee engagement and reward programs (*motivation*), revising the structural context, setting clear performance goals (*ability*), and directing the employees towards achieving those goals by providing them with wider opportunities range at the workplace (*opportunities*). To sum it up, the importance of the AMO framework is wrapped around a systematic, structured, and comprehensive approach to bundle HRM practices with organizational goals and values as well as influence the attitude, perception, and commitment of the employees towards the organization as well as has a direct influence on Strategic Human Resource Management within an organization. (Ujma & Ingram 2019.)

2.2 Strategic Human Resource Management

The phenomenon of Strategic Human Resource Management (further: SHRM) is often referred to as a tool or a process that combines several patterns of an organization: overall business strategies, operations, and procedures as well as business capabilities. SHRM is highly focused on pushing the company's potential and effectiveness to its maximum by leveraging the efforts of the HR department. The SHRM aligns the internal environments of an organization and the department with external ones by enabling the communication and reactiveness of a company and correspondence of the HR department to the company's targets. (Wilson 2013, 10-11.) Armstrong (2020, chapter 2) has, moreover, stated that SHRM can be defined as a process combining the actions of the HR department directed into a contribution to achieving the organizational goals through interconnecting the efforts of the department and organizational strategy.

According to Bamberger and Meshoulam (2000, 5-6), the HRM function is mainly focused on implementing the decisions related to recruiting, ensuring the well-being of employees as well as the legal implementation of policies, while the SHRM is focused on aligning those decisions with the proclaimed by an organization visions and missions. The HRM strategy connects these two concepts in between each other: HRM strategies represent the strategic directions of operational development within the HR department to be correlated by the SHRM tools. Thus, SHRM is considered a combination of actions of both HRM and HRM strategies that support the execution of corporate philosophy.

This idea was later confirmed by Armstrong (2020, chapter 2): the main task of the SHRM is monitoring how well the decisions of the HR department correlate to the business strategy, involving all the shareholders such as employees, management, clients, and management as well as ensuring the competitive advantage of a company can be gained by certain decisions undertaken within HR department. SHRM addresses the changes in organizational culture and performance by ensuring the actions of HRM and objectives of HRM strategies are set in the correlating direction and are not controversial to the set business strategy. Moreover, SHRM sets the focus of the HRM strategies to execute the plans in such a manner, that they would support the long-term planning and development of the business as well as would ensure their relativeness to the ideology of a company (Wilson 2013, 3).

However, developing a sustainable approach to SHRM cannot be considered without a detailed evaluation and analysis of HRM strategies and actions undertaken by HRM, therefore, these two concepts are correlated. Since HRM strategies set the direction towards creating a strong competitive advantage and long-term plans, which are further achieved by the human capital within the HR department, HRM strategy is considered a starting point for building the road map of the overall

SHRM process. (Bamberger & Meshoulam 2000, 5-6.) Armstrong (2020, chapter 1), once more, confirmed: “The main message of HRM philosophy is that human resource policies should be integrated with strategic business planning and used to reinforce an appropriate (or change an inappropriate) organizational culture”, which is achieved by the implementations of HRM strategies and enables the further HRM development.

2.3 HRM development

HRM development (further: HRMD) is considered a sub-category of a generalized approach of HRM focusing on the development and development implementations. Rees and French (2013, 25) have described HRMD’s responsibility as identifying, selecting, and implementing training opportunities for the employees within an organization to promote their learning and growth. Armstrong (2016, 199) has explained the concept of HRMD is a bigger picture: learning and development opportunities create a long-term investment in the company’s prosperity by ensuring the strategic goals of an organization are achieved through upskilling employees. Such strategic function of learning and development is set to create an environment that encourages individual enhancement, increases engagement in the work process and consequently, positively affects performance.

Following the belief that human capital is the main source of achieving the higher indicators on the market for a company, it is widely believed that people with the right set and quality of knowledge and skills shall be present in an organization. Hence, investing in human capital and developing those who are already employed brings the company to successfully meet the current and future needs of an organization. (Armstrong 2016, 199.) Chalofsky, Rocco, and Morris (2014, 202) have specified that learning and development sessions executed in organizations are not meant to provide “lifelong” employment, instead, they promote employment security, allowing employees to develop their skills and widen their knowledge by committing to the company which invests in them.

Investment in HRMD has been seen as a cost with an unfamiliar and unpredictable future rather than an investment: it is most frequently not possible to estimate whether an employee development will have a monetary return on investment (ROI). The reason behind this statement is that the payoff of investment into HRMD is hard to measure, especially from a short-term perspective. (Martin 2010, 100-101.) However, aligning the investments in the HRMD with the strategic targets of an organization has been provided to gain a positive impact on the operational component of business development. Wilson (September 2020), who has referred to employees as “the greatest asset any company has”, has also brought attention to the fact that the biggest investment can and shall be made is an investment in internal operations, especially HRMD. In this regard, Laakso-Manninen and Viitala (2007, 65) specified that it is essential that both individual and organizational perspectives find a way to merge during the planning process to achieve the contribution margin between the operational, strategic, and HR departments of an organization.

There are no businesses in the world that would not be subjected to external factors. The pandemic of COVID-19 has proven that the internal preparedness of an organization to the external factors of adjustment to changes provides a faster and smoother recovery. Accelerated changes brought by the COVID-19 pandemic have promoted the trust learning perspective: the more skilled and devoted the employees of the company are, the quicker and more ready they are to adjust to recent changes. Moreover, an internal change in leadership and management vision reinforced by trustful employee-employer relationships provides employees with an opportunity to engage in more independent working and decision-making processes as well as to gain the feeling of belonging to an organization. Employers and managers will be able to switch their focus from “field” operations to strategic and executive functions as well as draw inspiration and innovative ideas from those who are capable and skilled to execute their jobs independently. (Dagelet, Havas & Wevers March 2021.)

Personnel development, as a branch of HRMD will be discussed further in chapter 5 in more detail.

3 HRM development in SME

This chapter is focused on the concept of small to medium-sized enterprises (further: SMEs) and their development and implementation. The chapter will define the concept of SME, cover the importance and necessity of HRM in SMEs, and introduce the major concepts related to the development and implementation of HRM in SMEs.

3.1 Definition of SME

Per the concept's name, SMEs are normally identified by the organization's size, relating to the number of people involved in the company. As such, the small enterprise is considered with up to 49 people employed and the medium-sized enterprise is the one with up to 250 employees. (Germany's Presidency of the Council of the European Union 2020.) Apart from that, the turnover and balance sheet totals are also taken into consideration while defining the SME. According to Levy and Powell (2004), the small enterprise is recognized by a total turnover of 7 million euros and 5 million euros in total sheet balance, while the medium-sized enterprise shows 40 million euros and 27 million euros respectively. Micro enterprises, which are also considered as a part of the SMEs concept tend to be defined by 10 people employed and a turnover that is not greater than 2 million euros (Germany's Presidency of the Council of the European Union 2020).

SMEs have been settled to represent the speed, innovation, and influence on markets. Due to the nature of SMEs, enterprises with a smaller size of personnel tend to develop a higher reaction to the market penetrations, markets' and customers' demands, and therefore, are set to be a powerful trigger for the developments. Innovations delivered by SMEs, especially in recent years due to increased support from the governments, are identified as another key characteristic of SMEs. Due to the size of the companies in a section of SMEs and, consequently, their flexibility, innovative decisions, products, or services are easier to coordinate, plan, and introduce to the responding market. Another characteristic often assigned to SMEs is the independence of decision-making processes. It is considered that the decisions made within SMEs are often executed by the CEOs of companies, however, at the same time it is argued that it is easier to involve the employees in the discussion processes before announcing the final decisions. Finally, SMEs are often identified as companies that compete on a price basis and are seen as price takers. As larger companies on the market tend to have a bigger market share, they establish the price level on the markets, which, consequently, creates an unstable market environment for SMEs. (Levy & Powell 2004, 20-22.)

On the contrary, the limited size of SMEs creates certain limitations: firstly, the continuous run of innovations is becoming unlikely due to a limited capacity of resources represented within a company. Consecutively, SMEs are sometimes considered not only as enterprises that have limited personnel and turnover numbers but also as companies with a limited skill capacity and therefore, a higher need for external assistance (for example, from outside consultants) to run the operations, the skills of which are not present in a company. (Levy & Powell 2004, 20-22.) The role of HRM in SMEs will be discussed in the following subchapter.

3.2 Role of HRM in SMEs

The concept of HRM in terms of SMEs is often not considered by the leaders of the organizations. Due to the size of organizations and their unbureaucratic nature, the functions of HRM, and HRD are considered as cost-conscious. Rees and French (2013, 45-46) have, however, stated that the necessity of HRM in SMEs is high. They have argued that in the case of small and medium-sized enterprises, HR executives are more likely to align the strategic vision of the department to the strategic targets of the whole organization since the flexibility of communication styles (compared to bigger organizations) is expected to deliver faster results.

In smaller size organizations, the administrative part of HRM takes part of the manager's responsibilities, in other words, one or two people can execute administrative, development, and strategic tasks daily. Moreover, closer attention to employee well-being within the organizations and their development can be brought through the duties of an internal HR manager. The structuring of the organizational responsibilities as well as the areas of responsibilities, which, due to the unclear responsibility description, put the bigger influence on the operational side of HR; the quality of the recruits as well as the well-being of the employees in the organizations are left with less time to be allocated to. (Rees & French 2013, 45-46.)

By acquiring the internal HR manager or external HR consultant, the head management (often the managing director and/or owner of the firms as well as line manager) may focus their attention on the tasks, that are directly related to their position, while the recruiting, development and administrative duties are taken over by the HR executive. HR representative, thus, brings additional value to the internal operations rich in human capital by aligning the visions, missions, and performance targets with an organizational strategy map. (Rees & French 2013, 45-46.)

Dunn, Short, and Liang (1 January 2008) have, furthermore, concluded that the following functions are considered as the main operational capacity of the HR manager as well as the tasks of HRM: personnel recruiting and offboarding, specifying and formulating the work tasks, motivating, training and development, evaluating the performance and its correspondence to the set targets, remuneration and personnel policies formulation (for example, through the trade unions).

With the increased attention to the concept of HRM and the development of the skills and knowledge present in various organizations, the interest in the firms’ competitiveness has risen, which has given birth to such a concept as a resource-based view of the firm. This concept is discussed in the next subchapter.

3.3 Resource-based view of the organization

The rapid increase in the skilled workforce in recent years has given a start to the concept of resource-based view (RBV) on a firm. Simultaneously with the increase in the working force, firms' interests in employing the best candidates and consequently reaching the highest potential of competitive advantage have grown respectively. This change has given an additional advantage to the HRM in such a way, that the human resources of the company ultimately create the connection between the company's visions and missions and HRM, in other words, aligning and coordinating the intentions of the HR department and company as a whole. (Leopold & Harris 2009, 43.)

RBV is putting an effort into strengthening the position of the company on the market through obtaining, developing, and redeploying the best resource available as well as through switching the focus from the external factors to the internal procedures (Snell & Wright 2001, 702-703). RBV on the organization employs the ability to increase the flexibility, adaptability, and reflexivity of the company by empowering human capital as the leading asset and automating the idea of the success of the company being dependent on the success of employing the resources. The focus of the HRM is switched accordingly: the operations produced within the department receive an additional meaning, being aligned with the organization's strategy. Eventually, it is supposed to lead to the improved and shaped operations performed by HRM and connect it to SHRM. (Leopold & Harris 2009, 43-44.)

Additional values are transferred to the HR department by employing the RBV, HRD, and its effect on the organizational performance. Viewing the personnel not as a cost but as a source of competitive advantage increases the role of the personnel in the strategy formation and work structuring, as well as corresponds to the other purposes served by HRD, that were described in the previous chapter. (Rees & French 2013, pp. 33-34.)

The RBV on organizational development is supported by the idea that the competitive advantage of a firm is delivered by emphasizing those aspects that are hard or impossible to imitate by the competitors. Consistent with the previous statement, the human resources and HRM are considered to be almost impossible to be copied due to the versatile nature and communication profiles of each company, therefore, making personnel of the company a non-substitutable asset. (Saá-Pérez 2002, 124.)

The elevated level of employee turnover is associated with increased costs. As such, not only the exit interviews are conducted, but the overall process of recruiting starts from the beginning, leaving a time gap for newly employed people to be integrated into the working process, the needed level of skills to be achieved as well as a risk of smaller devotion or even quick resigning shall be considered. Considering this factor, retaining the present employees supports the idea of personnel being a non-substitutional resource. Depending on the position, it might take up to 12 months for a new employee to integrate completely into the working process; while the efficiency is not on the desired level, the costs are still being associated with the new hire, therefore, the frequent substitution of the employee is highly not recommended. (Edwards & Edwards 2019.) Thus, such a firm that creates a positively built working environment, maintains high employee retention and stimulates the constant and needed HRD through the prism of RBV, maintains the strategic HRM in alliance with the overall company strategy and allows these two dimensions to act simultaneously and to support one another, consequently bringing back to the point of intrinsic HR value recognition. (Saá-Pérez 2002, 126-127.)

Currently, SME needs to be able to leverage all the resources available due to the high competition in the market. Having a valid competitive advantage is essential; to sustainably maintain and stimulate the potential growth of the enterprise, the competitive advantage shall be present to differentiate the company from others on the market and underpin the success factors. RBV, in that case, allows the company to manage the human capital in such a way that wins an added value on the market and helps it to thrive in competition. Frequently, the major limitation SMEs face is a restricted financial capacity compared to bigger enterprises, which decreases the possible error rate in terms of strategy and HR execution. In other words, the financial capabilities of SMEs prevent the company from constantly attracting and recruiting the most skilled and experienced candidates. Thus, RBV encourages a more staff-centered approach and forces a strong corporate culture to enhance employee performance and inclusion, maintain the position on the market, and execute potential growth as well as enable the company to integrate proper HR planning. (Carter & Jones-Evans 2012, 388)

3.4 HR planning

Martin (2010, 144) defines HR planning (further HRP) as a process of measuring and identifying the current situation with human capital resources in a firm and the potential need for acquiring a certain number of new personnel with a certain skill level and knowledge to meet the current organizational targets. The specification of HRM leads to higher work performance by ensuring the needed number of employees is available at the appropriate time now and in the future, however, also considers the possible rewards associated with goal achievement. In other words, HRP intends to match the current level of staffing with the strategic objectives of a firm and its HR policies.

This idea was later confirmed by Armstrong (2020, chapter 4) saying that HRP shall be tightly connected and aligned with the strategic planning of an overall firm.

The issue of proper HRP is essential in SMEs; as described in the previous paragraphs, due to the financial limitations capacity, the error rate of hires of unsuitable profiles is lower than in bigger organizations. The exact estimates of the financial and time resources must be made before starting the overall process of recruiting. The company must have an exact estimation of the number to be hired and how much of the monetary and time resources can be allocated to the recruiting process. (Carter & Jones-Evans 2012, 389-391.) It has been, moreover, stated by Carter and Jones-Evans (2012, 389) that the strategy-making process in many SMEs is mainly characterized by improvisation and not an accurate consideration of intrinsic resources, which is essential for the survival of firms of the following size.

Due to the limitations of the resources available in such companies, a more functional and formal approach with an accurate analysis of the financial situation is recommended. The benefits of such planning carry several benefits. First, the statement of goals and objectives of a business allows the management and staff of a firm to trace these objectives more easily and integrate them into the working process. Secondly, the efficient use of resources available for the company enables the efficiency of time usage and promotes the identification of key success factors-key performance indicators (KPI). Furthermore, formal planning presents an unobstructed vision of staff development and fresh staff acquisition needs for the management through the analysis of the current human capital, which not only expresses the current organizational need but also allows to make plans on organizational development, goal achievement, and strategy execution. In most cases, such analysis of staff perspectives results in the strategic development of a business. Finally, the financial control of the operations is given a closer look and analysis, which leverages the assets and resources available and decreases the risk of financial failures. (Carter & Jones-Evans 2012, 391.)

According to Martin (2010, 145), the formal model of HRP covers several steps:

- Transforming the business objectives into a requirement in human capital (in terms of the number of employees and skill level)
- Assessing the profile of the current human capital present in a firm
- Assessing the profile of the current human capital available on the market
- Executing the HRP.

The model suggested by Martin (2010, 145) allows to further focus attention on the overall recruiting process and job design and job description, which will be discussed in the following chapters.

4 Recruitment and selection

Rees and French (2013, 175) have stated that the overall recruiting process is the ground for the process of people management, therefore, this process shall be conducted with an accuracy of evaluations and estimations. This chapter will talk about major concepts involved in the recruiting process, such as job design, interviews, recruitment, and selection and recruitment surveys. Recruitment and selection are mainly targeted at identifying and ensuring the newly employed staff will positively affect the organizational goals and strategic targets of an organization and add value to the current and potential workforce. The successfully conducted recruitment and selection procedures aim at increasing the overall organizational performance and effectiveness through the evaluation of current needs in human capital. (Rees & French 2013, 175-176.)

Recruiting as a concept is a process of finding and attracting the right personnel to a company to execute a certain job according to the current organizational needs. Main recruiting strategies are wrapped around reaching the right pool of potential employees and delivering the value of an employer through employer identity. For SMEs, the systematic approach in the recruiting process is a necessity; the recruiting process is seen as a costly and time-consuming process that does not tolerate mistakes and it is strongly connected to teamwork and work execution, motivation and both employing and deploying resources. The wrong choices and estimations made during the recruiting process might end up in profitability loss, employer brand identification weakening, and dissatisfaction among key stakeholders. (Elearn 2009, chapter 1.)

Selection is a process of choosing the most suitable candidate or candidates for a designed job after conducting interview or sets of interviews and analyzing each candidate’s capabilities, skill levels, and knowledge, as well as their potential to learn and, consequently, contribute to the work performance of a firm. The selection is done through the assessments of candidates’ weak and strong features in relation to the current organizational needs and targets. (Elearn 2009, chapter 1.)

A study conducted by Cassel, Nadin, Gray, and Clegg (2002, 680-681) regarding SMEs stated that 38% of sampled organizations have not been integrating any of the recruiting and selective processes in their work activities, while 50% of sampled organizations, that have been actively using the practices of recruiting and selection, have witnessed a positive effect on organizational performance by applying those practices. This idea proves the need for a systematic approach adaptation by bigger scale organizations but also by SMEs, allowing a company to attract and recruit the best personnel on the market. Figure 2 below demonstrates the structure of the recruitment and selection process.

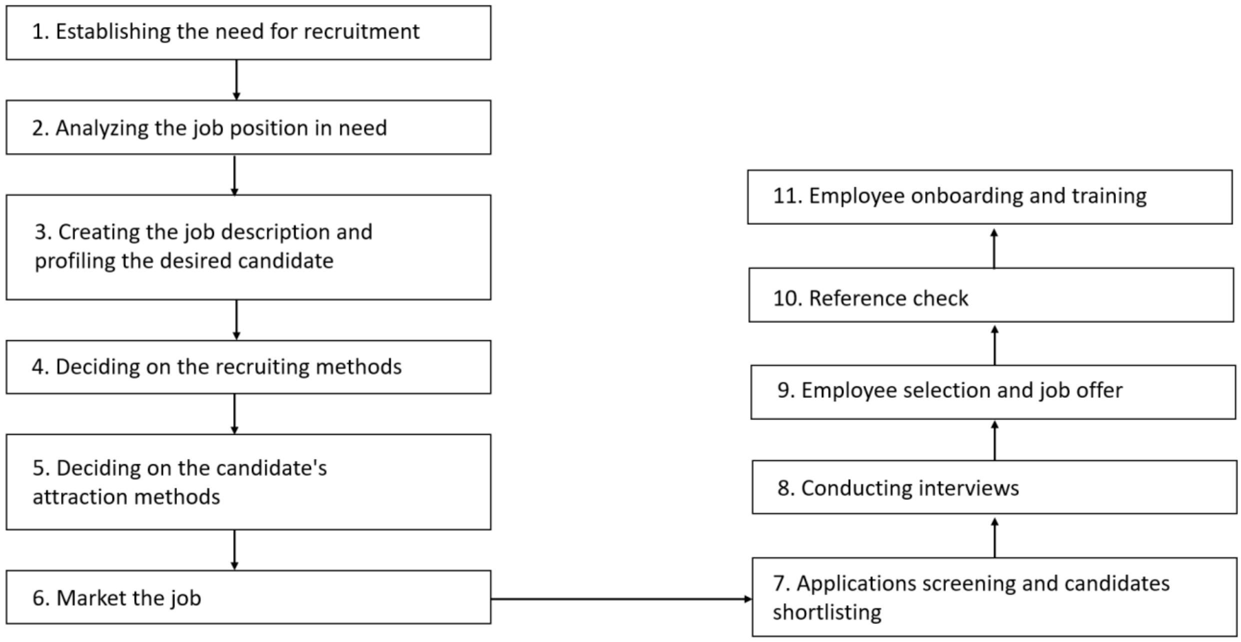

Figure 2. Recruitment and selection process (adaptive from Elearn 2009, chapter 1)

For the selection stage of the recruiting process, a fair and non-biased assessment and evaluation are essential. In accordance with Elearn (2009, chapter 1), the selection process is based on the criteria that the HR Manager or other manager in charge of the recruiting process shall include:

- Which candidate already has the skills in question?
- Which candidate has a higher potential for developing the role and his/her success in it?
- Which candidate can integrate into the team best and consequently increase performance?
- Which candidate can positively influence the job position and organizational performance in the long run?

However, despite even having the answers to the question mentioned before, personality traits and personal characteristics are essential to be traced. As long as the personality aspects cannot be fully illuminated from the recruiting process, the manager in charge shall take into consideration not only the skill levels of the candidate, his/her potential and impact on a firm but also the personal features which are strongly related to the future teamwork, motivation, and job performance of a new employee and current staff members. (Rees & French 2013, 182-183.) Following this, it is possible to assume that the evaluation conducted only based on the “technical” criteria might not be a successful tool, therefore, the methods of selection chosen can vary depending on the sector of operations. In other words, there is no “best practice approach” that will be ultimately suitable for any organization independent of circumstances and areas of operations. Thus, organizations shall create, employ, and adopt selection methods that are seen as more beneficial, practical, and cost and time-effective in their concrete scenario and business environment. (Leopold & Harris 2009, 186.)

4.1 Job description

As a result of an accurate job analysis conducted, the job description is created. With the high purpose of recruiting the best people available on the market, creating an involving and explanatory job description is one of cornerstones of the recruiting. Lou (2007, chapter 3) has specified that poorly designed and boring job posts act as catalyzers of preventing candidates from applying for a stated position. A successful job description is far away from a simple list of the job responsibilities, it should be engaging enough to create a positive image of an employer brand, as well as should not only contain the qualities the candidate is about to bring but also address the return on candidates' investment: what will they get from joining the company? What potential benefits is the company ready to guarantee in return for a job execution? In other words, job descriptions act as an advertisement tool for the company to promote the organizational values and the benefits a candidate may gain by joining the company as well as guarantee a better talent attraction through addressing the key job responsibilities and skills desired (Expert Panel 29 October 2021).

According to Expert Panel (29 October 2021) and Lou (2007, chapter 1), there are key success factors addressed in the job descriptions:

- Simplicity, clarity, and inclusion: simple and inclusive job posts create a positive impression in the minds of the candidates by illuminating the possible confusion with too many requirements. Moreover, job descriptions that simply state the requirements and skills needed do not assist in differentiating the particular company's position from hundreds of others on the market, therefore, limiting the number of top talents attracted to it.
- Clear expectations of employer promise: a company aiming at attracting the top candidates shall also be focusing on delivering the value that comes from the job position. The job post shall give a candidate a clear picture of the organizational culture and values, not only the responsibilities of a particular job. Job posts are seen as a marketing tool to advertise the employer's brand. Therefore, not only the job responsibilities and qualifications should be clear to the recruiter, but also the differentiation factors such as, for example, why this particular company should be chosen by the employees over others.
- Creating an employee-focused advertisement: job ads shall be explanatory enough to deliver a sharp vision not only of the position and the company as a whole but also of the overall recruiting process. It is a recruiter's responsibility to draw a clear picture of the reasons, stages, and process of the recruiting. Candidates who are aiming at building a career instead of simply acquiring a job are interested in knowing what to expect from a particular

employer before applying for the position. In that way, employee-focused job ads can already act as a tool for filtering the candidates, whose personal values or objectives differ from the ones proclaimed by an organization.

In accordance with the research conducted by CareerBuilder in June 2017, 53 % of job seekers expect the transparency of the job descriptions with job responsibilities and values of the company stated clearly. This dimension is also connected strongly to the candidate's experience, which can be measured by conducting a recruitment survey.

4.2 Recruitment survey

With the development of social media, candidate experience has become a concept worth consideration as it is directly connected to the brand image and its reputation. Candidate experience can be defined as a strategic approach to the relationship between the potential employees, company, and brand. Candidates have unlimited access to platforms to share their recruiting experiences in a company, which can affect the future of a business. Moreover, creating a positive candidate experience not dependent on whether the candidate was eventually chosen is essential as it creates the first impression. In the highly competitive market, there is no room for avoiding the candidate's recruitment experiences as companies are interested in attracting top talent. In the case of the poor candidate's experience, the candidate will no longer be interested in contributing to the recruiting process, actual work execution, or sending the job application iteratively. (Scott & Dale 2018, 7-8.) Evaluating and constantly enhancing the candidates’ experiences during the recruiting process is a direct demonstration of the company’s values and its attitudes towards the organizational culture and the employees. To evaluate the success of the candidate’s experience, the recruitment survey shall be applied as a tool.

A recruitment survey as a tool provides honest feedback from the candidates to state the points that require closer consideration. By conducting such a survey, the recruiters are aiming at delivering a greater value to the recruiting processes and enhancing the candidates' experiences despite being or not being selected for the position in the job advertisement. The most convenient way of evaluating the results is asking the applicant to evaluate their experiences in different stages of the recruitment process on the numerical scale from 0 to 10, where 0 is, for example, extremely dissatisfied and 10 extremely satisfied. The result collected from the surveys will demonstrate the candidates’ experience with Net Promoter Score (cNPS). (Scott & Dale 2018, 17.) Candidates’ experience Net Promoter Score (cNPS) is a metric used by companies to evaluate, maintain, and enhance their recruiting and selecting processes, eventually strengthening the KPI management and employer brand position on the market. According to Siocon (s.a.), the standards of the cNPS are divided as following:

- 0-6 – Detractors: low satisfaction level or are unlikely to recommend the company for job applications.
- 7-8 – Passives: average level of satisfaction or inactive participants of the recruiting process, are not likely to recommend the company to others, however, are not damaging the company's reputation.
- 9-10 – Promoters: high satisfaction level or very likely to recommend the company for job applications.

The final cNPS is calculated as following:

cNPS=% Promoters - % Detractors, or

cNPS Score = № Promoters - № Detractors

The results demonstrated by the cNPS can be included in the strategic scoreboard planning (discussed in the next chapter). The results above 0 are considered satisfactory results, however, shall be compared to the benchmark within a business sector (Siocon s.a.).

The results obtained using such a tool as the recruitment survey provide the recruiter with a perception of the recruiting process by the applicants: was it convenient and quick to apply for the job? Was the job description explanatory enough? Is the recruitment system user-friendly? Are the timescales and possible important dates clearly stated? With this information, the recruiters can modify the recruiting processes to create higher candidate satisfaction, build trust as an employer brand, and provide a higher value for the job applicants. (Scott & Dale 2018, 20-21.)

4.3 Interview planning

A job interview can be defined as a purposeful conversation between two or more parties (candidate and recruiting manager/managers) to obtain information about the personalities, skills, and experiences of the candidate and to present information about the job position and company in general. Poorly conducted job interviews may lead to several consequences. First, a negative first impression on the candidate, in case of which, the candidate, whose experience has been negative, may prevent other top talents from applying to the company in question by sharing his/her experience with others. Secondly, not receiving sufficient knowledge about the candidate by conducting poorly structured and not thought-off interviews prevents the recruiter from collecting important insights regarding the candidate's personality, skills, knowledge, and experiences, therefore, limiting the overview of the candidate's capacities and developing opportunities within a firm. (Martin 2010, 155-156.)

Even though the job interviews are designed to study the candidate's capabilities in terms of the offered job position, it is very unlikely that all personal and professional characteristics will be examined during the interview or even several stages of job interviews, therefore, the recruiter is set to be making personal judgments and assumptions (Högström 2022, 14). Martin (2010, 156-157) has suggested the following list of general rules that assist in evaluating the candidates' experiences and candidate's comparability with organizational values in a more coordinated and accurate manner during the interview:

- Active listening: asking questions is often not enough. The goal of the questions asked is to get meaningful insights by analysing the answers. The recruiter, therefore, shall be asking the questions, perceiving the answer, and asking for clarifications if needed.
- Tracing the non-verbal communication: not all the aspects that the recruiter is interested in are said aloud, therefore, both verbal and nonverbal reactions as well as their constructive collaboration shall be traced by the recruiter. Nonverbal communication includes such aspects as body language, gestures, positioning, tone of voice, and/or facial expressions.
- Recognition and avoidance of biases and stereotypes: candidates are used to being asked the same questions frequently and, therefore, might give the recruiter a standardized or "desired" answer, that might not necessarily be an actual representation of what the recruiter is looking for or what the truth is. In this case, it is essential for the recruiter to not only produce less stereotypical and frequent questions but also to be able to follow the intentions behind the candidate's answer to such questions.

Depending on the type of interview, the questions and question types can be adjusted following the job position requirements, however, sufficient planning before the interview shall be considered. It is essential for the recruiter to know well beforehand what parameters need to be evaluated during the interview. Apart from getting to know the candidate itself, the recruiter shall be aiming at seeing whether the candidate is the right fit for the organizational culture and job position itself, therefore, the recruiter shall know what exactly he/she wants to know about the candidate by asking the right questions. Based on the questions planned before the actual interview, additional questions regarding the candidate's experiences may come up during the interview turning the process of asking questions and getting answers into an informative discussion. (Knight 23 January 2015.)

To provide the candidate with a positive experience and impression from the interview, part of the questions asked shall also be personalized following the candidates' backgrounds. As such, detailed familiarization with candidates' resumes and/or cover letters may (shall) provide the recruiter with arising questions or interests to examine the experiences deeper than stated on the paper. The points of the resume or cover letter that cause major concerns or demonstrate the strengths of the candidate can be articulated and referred to during the interview. Moreover, the questions related to the career development objectives shall be addressed during the interview. Even though this information may be provided in the resume or cover letter, it can still lack the intentions behind the standardized expressions. Such questions give the recruiter a perception of the company and candidate's development within it and the contribution the candidate can bring to the position in question. (Knight 23 January 2015; Lou 2007, chapter 4.)

5 Employee development

5.1 Employee empowerment and engagement

The concept of employee empowerment and engagement is an essential dimension in managing performance management and achieving the set targets of an organization. Empowerment of employees is defined as enabling the employees to work independently and to make decisions beyond their work responsibilities without advising a higher supervisor. Engagement of employees is known as creating an opportunity for the employees to participate in the higher decision-making processes related to business and strategy formation. (Martin 2010, 107.)

According to Martin (2010, 107) the main purpose of developing and increasing employee empowerment and engagement is increasing the performance output by involving the employees in the value proposition and personal and career developments. The sense of “belonging” to the values proclaimed by an organization is meant to increase the employee's devotion to the working process. In such an outline, the employees whose opinions, voices, and even decisions are considered by the management create a greater sense of belonging to the organization and a tighter connection to the values of an organization. The values, in this case, do not exist as an independent statement given by the higher management, however, have a direct meaning to the employees and, therefore, motivate them to put more contribution into the execution of targets related to these values.

This idea was later confirmed by Rees and French (2013, 237), who stated that engaged employees are more likely to demonstrate higher performance and innovation than those who are not engaged (or cannot relate to the organizational values). Rees and French (2013, 248) have furthermore drawn a connection between the employee commitment to the working process to the AMO model discussed in the earlier chapter. As such, the increased motivation of the employees as well as the opportunity to demonstrate their skills and take independent steps increased the overall level of performance. The activities that influence the empowerment and engagement of the employees are presented in the table below. Table 1 below demonstrates the effect of ACE (able, committed, and engaged) employees, which can furthermore be combined into a formula based on the AMO model discussed earlier:

High Performance= ACE employees + opportunities, resources, and support

Table 1. Activities that maximize the ACE (ability, commitment, engagement) (adaptive from Rees & French 2013, 249)

A (ability)	- Helping employees to recognize their abilities. - Identifying the opportunities and expanding them. - Identifying the potential abilities and developing them.
C (commit-ment)	- Helping employees to recognize the motivation within a job scope. - Identifying the individual motivational factor. - Helping to recognize and integrate the meaning of work.
E (engage-ment)	- Enabling the employees to see the importance of their work and decisions. - Linking employees' jobs to the strategy and values of an organization.

Employee involvement in the working processes can be, furthermore, enabled by an increase in their skills and knowledge to participate in the decision-making process by getting a deeper understanding of the insights of the job. Thus, the personnel training importance will be discussed further.

5.2 Personnel training

As mentioned in the previous chapters, the concept of employee development is essential for organizations to maintain a low turnover level and keep the employees devoted to an organization. One of the ways to deliver a sustainable development of the personnel is ongoing training events organized by the employer(s).

The challenge of the HRM is to be able to identify individual and organizational needs to provide the employees with sufficient levels of development and involvement in the working process as well as to increase the organizational competitiveness by enhancing the performance of the employees. In the case of the successful execution of training projects, employees receive the benefit of new skills, knowledge, and possible responsibilities, while an organization achieves the strategic goals more effectively and efficiently and gains a competitive advantage from the devoted personnel and high retention rates. Creating career development opportunities by executing specific or leadership trainings are moreover seen as an advantage of the training; the sense of trust and importance delivered during the training creates additional motivation for employees and increases work performance. Thus, training events and leadership trainings build employee empowerment and involvement in the working processes as discussed in the previous subchapter. (Cloutier, Felusiak, Hill, Pemberton-Jones 2013, 123-124; Hassan, Razi, Qamar, Jaffir & Suhail 2013, 18.)

Training is defined as an event, or a set of events targeted at skills enhancement and personnel development conducted through teaching and learning techniques. Before the implementation of the training event, the organizational need for it shall be measured and evaluated, answering the question of whether the training is needed, and if the answer is yes, which particular skills of the employees need to be assessed and developed. The training needs may be claimed by the line manager or a supervisor and is organized and/or initiated by the HR department as a part of the strategic work and employee development within an organization. Moreover, the training of specific candidates (employees of a company) shall be determined, answering the question of whom the training particularly concerns. Depending on the current organizational needs, the training may be targeted at training new leaders, increasing the overall skills level of all the employees, or only targeting employees related to specific work/projects. Poorly targeted training events may create dissatisfaction among the employees and consequently affect their motivation and devotion to the working process. As such, the employee trained to execute the leadership functions but never received a chance to apply his/her knowledge during the work process is most likely to feel untrusted. (Hassan & al. 2013.)

Cloutier & al. (2015) suggest that companies may receive several benefits from integrating the training sessions:

- Positive influence on the company's competitive advantages through the increase of skill levels.
- Integrating strategic visions of a firm into personnel perception of work by involving empowering employees to autonomous decision-making and increasing the level of responsibilities.
- Decreases the negative economic influence of losing key employees and, therefore, decreases the turnover levels.
- Provides an effective onboarding of new employees by establishing the standards of work performance expected in the company.

To sum up, continuous training practices and encouraging the employees to learn and develop enable the retention of high-skilled employees within the company as well as provide a sufficient onboarding of new employees and increase their engagement, involvement, and work performance. The learning and development trainings targeted at certain skills or employees, therefore, have a mutual advantage for both personnel and an organization: it increases the devotion of employees and their performance as well as maximizes and leverages the capabilities and resources of an organization. HR officers need to embrace the continuous learning and development of human resources by identifying and integrating the relevant trainings on time, thus, providing a deeper understanding of the corporate visions, missions, and targets of an organization. (Rees & French 2013, 223.)

5.3 Balanced scorecard and KPI management

The execution of an organization's overall strategy, as stated earlier, is connected to the HR department's strategy. According to Niven (2014, chapter 1), the balanced scorecard, also called a KPI management system, is a strategic tool combining various elements of a strategy that helps measure, evaluate, and guide its execution. As a tool, a balanced scorecard can be applied not only to build and execute the overall strategy of an organization but also to support the development of the department's strategy, which is ultimately connected to the overall company's strategy. The balanced scorecard enables the analysis based on the following perspectives (Figure 3):

1. Financial perspective.
2. Customer perspective.
3. Product and process perspective.
4. People, learning, and knowledge perspective.

Figure 3. Balanced scorecard perspectives (Niven 2014, chapter 1)

According to Niven (2014, chapter 1), whilst all the perspectives assist in forming and measuring the overall strategy of an organization, the last perspective is fully centered around the HR department and enables the strategy execution through the HR department and personnel target achievement. Each perspective is divided into subcategories, in which the system is measured and organically developed. The elements of evaluation include:

- Objectives: the set objectives define the goal towards which the organization is leaning to execute the decided strategy from all perspectives. The frequent question to be asked is "What must we do well to reach the final goal?"
- Performance Measures and Targets: performance measures are set in the form of the quantitative criteria applied to compare the actual performance with the expected results. The results, in its turn, are known as the targets, which, in combination, consequently, lead to achieving strategic objectives. This element of the evaluation allows to connect the chosen strategy (yet, rather theoretical) with the actual execution of it based on the current performance.
- Strategic Initiations: strategic initiations are the specific activities and events executed to test the chosen strategy. These are activities or sets of events that are created to support the strategic development and meet the set goals simultaneously testing how well the chosen activities maintain the direction of the strategy.

The balanced scorecard can be used for executing the firm's strategy and to manage and coordinate the inputs of the HR department. Becker, Ulrich, and Huselid (2001, chapter 3) have identified two main advantages of applying the balanced scorecard as a tool. First, it helps with building and coordinating the SHRM and manages the HR department as a strategic asset of a firm. Secondly, it demonstrates the effect and contribution of HR operations on the financial performance of an organization. In such a way, when the balanced scorecard is used as a tool for performance management it allows the HR officer to identify and set the targets, maintain the desired levels of employee motivation to achieve the set targets as well as track the financial contribution to the firm's resources.

Setting specific targets has a direct impact on performance: the more specific and involving the targets are, the better performance is expected to be demonstrated by the employees (Leopold & Harris 2009, 202-203).

6 Research and development process

This chapter provides extensive information about the research's flow guiding the reader to an in-depth understanding of the processes behind the empirical part of the research. The chapter introduces the research process, research approach, and research methods used during the research process.

6.1 Research approach

The approach to the research for this thesis is set as action research. According to Moilanen, Ojasalo, and Ritalahti (2022, 76), action research is directed toward bringing actual change in the organizational environment. The goal of the research was targeted at the organizational problem and its solution by assessing the current state of the problem and examining the viable solutions to it. The preliminary characteristic of the action research is a problem-solving aspect, which allows the researcher to enable the change in the organizational environment by collaborating the subject of the research with the stated organizational dilemma, thus, involving the employees of the organization in the solution processes (Foote Whyte & Whyte 1991, chapter 2).

Action research is also referred to as participatory research due to the nature of involving the present personnel of an organization in problem-solving. The members of the working community are set to provide the most valuable insights regarding the organizational environment in comparison with the third-party assumptions. (Lawson, Caringi, Bozlak, Jurkowski & Pyles 2015, 40.) The solutions suggested by the researcher based on his/her participation in the discussions with the present employees of the company are more likely to be widely accepted by the personnel as their insights, knowledge, and visions are drawn into the result of the research (Moilanen & al. 2022, 77).

Action research and participatory research have been set as the research approaches due to the author’s employment in the case company. By combining the participation (executing job responsibilities) with the scope of the research, the author aims to assess the organizational insights and apply them to conducting the research. The outcomes of the research presented in the form of the strategy of the HR department in terms of recruiting and employee development are expected to imply certain actions toward enhancing the operations of the department. Moreover, during the research, the development actions were implemented immediately, bringing the actual change to the current organizational structure and the HR department as per se.

Action research is conducted in several stages: planning, observation, evaluation, and action. At the beginning of the research, the research goals are identified and defined narrowing down the scope and focus of the research. Secondly, the internal data is gathered to establish the current state analysis to further link it to the desired research outcomes. Based on the current situation of the business, the problem-solving process starts by involving the key stakeholders in the research participation. The researcher, afterward, conducts an evaluation part of the research, linking the insights and opportunities received during the data collection process. The possible solution to the stated problem is dragged out of the research evaluation and possible actions are implemented. (Moilanen & al. 2022, 78-80.)

The author of this research has been actively collaborating with the other line managers and employees of the case company, which enabled the execution of the participatory research. The key methods of the data collection were semi-structured interviews, workshops, and evolving job responsibilities. The methods of data collection will be discussed in the next subchapter.

6.2 Methods of data collection

The preliminary methods of data collection used are interviews, participatory observations, and workshop co-creation. All the methods are referred to as tools executed both as a part of job responsibilities and research execution. The methods will be described below.

Interviews as a method of data collection are targeted at gaining more valuable insight into the research topic or clarifying the existing issue within an organizational environment (Moilanen & al. 2022, 137). The author of the thesis has conducted several semi-structured interviews as a part of the research. The preliminary qualitative interview with the MD of the case company was conducted over the phone, which was followed by a face-to-face discussion to understand and evaluate the current organizational need and form a framework for the intended research. The semi-structured interviews are characterized by the preliminary formulated key questions and themes essential to be discussed, however, the order of the questions, their content, or even the questions as per se may change depending on the interview process. The researcher or the interviewer leaves room for additional questions to be asked or left out during the process of discussion. (Saunders, Lewis & Thornhill 2016, 391.) Furthermore, the interview questions were presented in the form of open-ended questions. According to Moilanen & al. (2022, 139), such types of interview questions enable the flow of the discussion with equal and active participation of both parties.

Due to the author's further employment in the company, semi-structured interviews were conducted for data collection and work execution. Semi-structured interviews are characterized by little structure and most frequently seek background narratives to be assessed, such as experiences, backgrounds, or stories. In other words, follow-up questions cannot be prepared before the interview takes place and are formulated during the discussion, where the interviewer acts on behalf of the listener, which allows the interviewer to gain broader access to the details that are essential for the course of the research. At the same time, the interviewee has an opportunity to bring the researcher's attention to the aspects that, in the opinion of the interviewee, are important, for example, from the perspective of the case company. Semi-structured interviews, therefore, make a greater information exchange by empowering the dialogue between the interviewer and interviewee. (Leavy 2014, 286.)

There were two preliminary interviews before the actual start of the research and employment in the company: both with the MD of the company. The topics of the preliminary interviews were related to understanding the current processes of the HR department of the company. At the beginning of the research, there were two more additional interviews conducted with the line managers of the company: the project manager and the service manager. The planned structure of both interviews was similar and was targeted at understanding the work responsibilities of each of the line managers, their perceptions of the recruiting processes, and drawing out perfect employee profiles.

The follow-up interviews were conducted spontaneously as part of the work-related negotiations and discussions. Since the actual goal of the thesis was targeted at the work-related processes, the interviews' outcomes were applied to the working process immediately.

Another method of data collection used is observation. Observations allow the researcher to assess the natural environments of the problem researched as well as to track the attitude of others towards the stated problem. Observation as a method also allows the researcher to collect the needed insights related to the research objectives and to investigate the possible linkage of the current state to the potential solution. (Moilanen & al. 2022, 147.) The level of engagement in the observation varies depending on the scope of the study: from partial to complete immersion (Saunders & al. 2016, 357). The author of the thesis has been involved in the case company's operations, therefore, the active observation method was used for the research and was provided by full immersion in the process. According to Moilanen & al. (2022, 147), an active observer is the party that influences the results from both the organizational perspective and the research perspective.

The observations for this research were conducted in an unstructured manner as a general understanding of the company's operations had to be gained. Since the researcher acted on behalf of the observer at the same time, the fact of changed or adjusted behaviors (control effect) was eliminated from the research limitations (Moilanen & al. 2022, 148-149). As the observations conducted by the researcher were arranged based on participatory observation, the actions related to the research data collection processes were aligned with the concrete actions taken in terms of the organizational environment producing a direct and unbiased effect on the company's operations, which can be characterized by a complete participation (Moilanen & al. 2022, 148-149; Saunders & al. 2016, 359).

The participatory observations were combined with the workshop co-creation, which examined the insights and produced the results for both research and the company's operations at the same time. The workshop is a problem-solving method of data collection that is targeted at developing applicable solution or solutions by involving the organizational members in the process of development (Moilanen & al. 2022, 187). The results achieved during the co-creation of the workshops assess past and current situations in the company and connect them to the potential future outcomes and development opportunities, examining the connection between the current states and the potential outcomes or desired results. The relationships between the past events and future implementations are of significant importance as well; the solutions can only be drawn by understanding the present organizational state and company's capabilities, therefore, are aimed at providing either "personalized" solutions for a company or a theoretical base for future development by addressing the new concepts and gaining new knowledge of organizational development opportunities. (Moilanen & al. 2022, 187; Ørngreen & Levinsen, 2017, 71-73.)

The facilitator of the workshops is acting on behalf of the guide through the process of the workshops. The topics are decided by the creators of the workshops and workshop participants, often bringing new requests during the execution of the workshops. The nature of it is connected to the fact that analyzing past and current organizational events brings up new visions or problems not identified earlier on. The workshops help the members of an organization to acquire new perception skills as well as to learn new ways of thinking, identifying, and solving organizational issues by enabling the facilitator's visions and approaches to the problem-solving process (Moilanen & al. 2022, 188).

6.3 Methods of data analysis

The data analysis for the research in question was conducted using thematic analysis to gain an overall understanding of the themes, make sense of the data received, and develop practical solutions to the problems stated. Thematic analysis of qualitative research data is targeted at interpreting and analyzing data reported in the descriptive methods. Thematic analysis, moreover, allows the researcher to analyze the data received from the open-ended interviews, discussions, and negotiations. (Castleberry & Nolen June 2018, 808.)

To enable the accurate analysis of the data, the content of the workshops has been transcribed. Transcribed data allows the researcher to avoid losing the valuable insights of the conversations by being able to return to the data repeatedly as well as reviewing and reconsidering the whole conversation or separate phrases/sentences. The collected data can be organized later for the researcher's format. (Castleberry & Nolen June 2018, 808.)

The transcribed data received from the workshops was clustered by the main themes. According to Castleberry & Nolen (June 2018, 809), clustering or separating the data allows the researcher to convert the overall data into useful insights to draw connections and differences between the topics and systematically interpret it. The data collected during the research has been clustered into the following topics:

1. Job advertisement creation
2. Recruiting process
3. Recruitment survey
4. Recruiting year clock
5. Job interview.

By clustering the topics, the author of the paper could manage to separate the relative data from the topics not directly influencing the results of the research and which were targeted at the general understanding of the concepts of the topic, for example, practical examples given by the workshop instructor. The data from the interviews, separated by the themes, was finalized using visual tools for a convenient perception of the key topics and concepts.

6.4 Research process

The research process of the thesis is characterized by the heuristic nature of it. The research process started in March 2022 by interviewing the MD of the case company on the current organizational state and potential needs of development. Several research proposals have been made by the author of the research, which were further developed into the topic of “Development of Human Resource Management in SME” based on the current organizational needs.

The familiarization phase was followed by the co-creation of online workshops organized in September-October 2022. The workshops were related to enhancing the operations of the HR department of the company and were organized by an external workshop facilitator, a fellow master’s degree student, as a part of his/her thesis project, which has made collaboration beneficial for both parties. The results of the workshops were further used for creating a final strategy for the HR department implemented in terms of both research and job responsibilities. The content of the workshops was produced by the author of this thesis, while the workshop facilitator provided the graphic bases and guidance throughout his/her extensive experiences in the sphere of HR.

There were 5 workshops arranged during the research process. The workshop's topics were generated together with the facilitator of the workshops based on the current organizational needs. In other words, the discussions conducted over a topic have brought up an understanding of the lacking knowledge, which promoted the development of the following workshops, focusing on the topic that was currently little addressed or even absent in the organizational environment. The workshops were conducted in an interactive and semi-structured manner; the templates for marking the results and kicking-off questions were articulated by the facilitator, while the flow and outcomes of the workshop were heavily influenced by the researcher of this paper. The researcher, who was acting on behalf of the company representative, was co-creating and developing the discussion as well as identifying the stress points of the topics, while the facilitator directed and guided the discussion by asking the questions, answers to which led to the formation of the new visions or solutions for the case company.

The cooperation started with developing a job advertisement post for the case company, and over a detailed discussion with the workshop facilitator, the issues of the HR department were identified. These issues created a base for the first workshop related to the overall recruiting process in the case organization. Analyzing and building the recruiting process strategy of the HR department the idea of measuring the satisfaction of the applicants appeared and stimulated the next workshop-recruitment satisfaction survey. Further, the need to picture a yearly process of operations was born, resulting in a “recruiting yearly clock” workshop.

Finally, part of the job responsibilities of the author of this report required conducting a job interview. To prepare for it, two workshops of interview process and questions were organized, finalizing the cooperation with the workshop facilitator. The workshop outcomes were later used for drawing the empirical part of the thesis and developing the HR department's strategy in the case company.

The creation of the preliminary empirical part has started based on the data received and analyzed during the workshops and preliminary theory part creation. The created empirical part of the thesis was not yet seen as sufficient before the detailed literature analysis was conducted, therefore, the theoretical data analysis has been launched. After a careful literature review, the author of this paper has conducted a thematic data analysis of the workshops’ data that enabled adjusting and finalizing the empirical part of the research. The following steps were taken during the research process (Figure 4):

1. Familiarization with the case company’s environment and workshop co-creation
2. Preliminary empirical part creation
3. Theoretical analysis (literature review)
4. Thematic data analysis (workshop data analysis) & clustering
5. Adjustments to the empirical part.

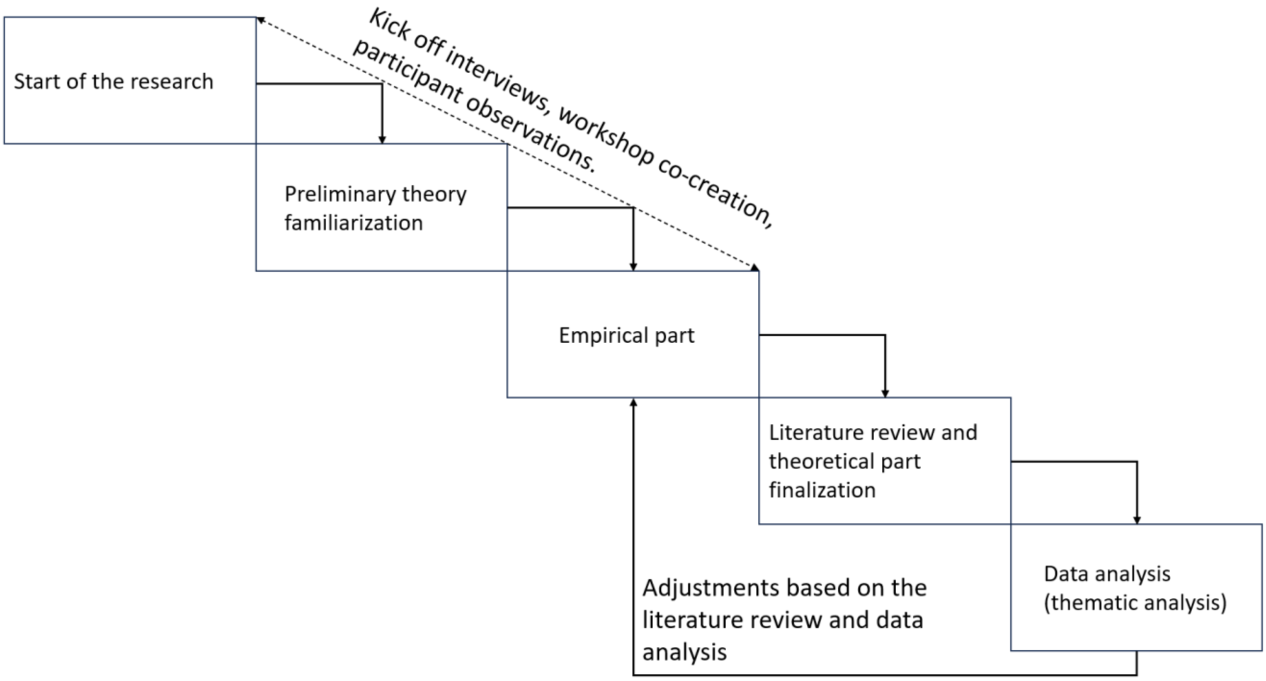

Figure 4. The research process

7 Recruiting development

This chapter presents the findings of the research meant as a first part of the empirical part of the overall research and is focused on the development of the recruiting practices in the company X.

7.1 Recruiting year clock

Before the start of the research, the company had a limited vision of the recruiting year clock. The exciting timeline did not serve as an asset for the company's recruiting processes. The initial timeline of the recruiting is presented below as a Figure 5.

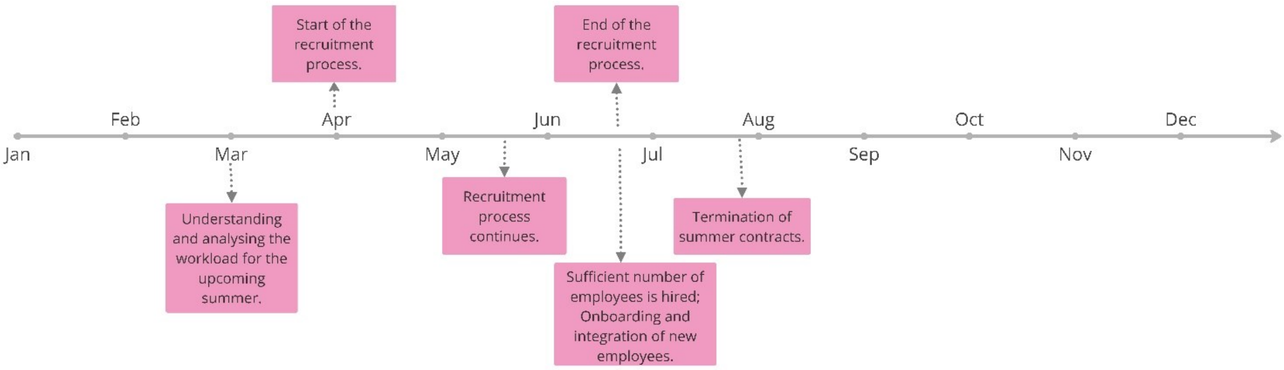

Figure 5. The initial recruiting through a year

The timeline only covered the essential steps needed for conducting the summer season recruiting without considering the opportunities for strategic development as well as the potentially arising need for additional personnel throughout the year. As a part of the research, the updated version of the yearly clock has been developed. The developed yearly clock is presented as a Figure 6 below. The yearly clock illustrates the timeline for the year 2023, however, it can be used as a template for future years of operations with the needed adjustments and reconsiderations based on the organizational needs.

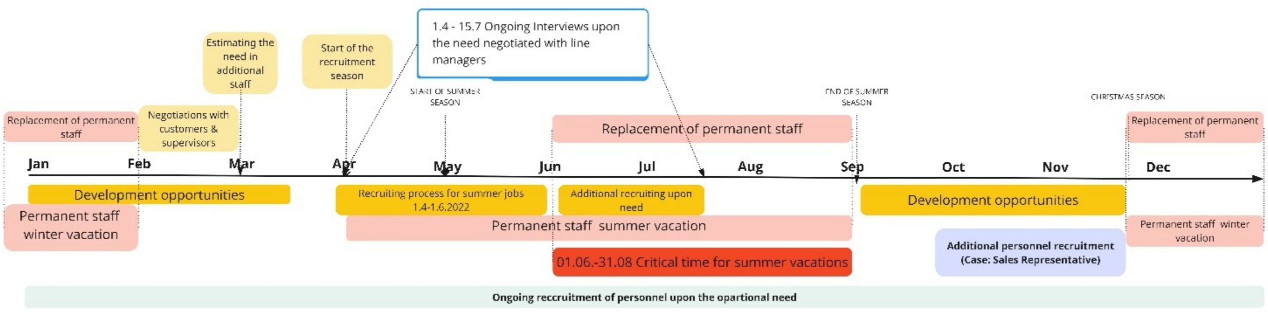

Figure 6. Developed recruiting year clock

The biggest part of the company's recruiting practices mainly concerns the cleaning personnel and occurs before and during the summer season (from the beginning of April till the end of October), when the workload is high due to the ongoing summer vacations of the present employees as well as of the employees belonging to the partnering organizations. Partnering organizations generate additional branch of workload for the company X-replacements. In other words, apart from the regularly scheduled (contracted) works, there must be enough staff present in the company to execute the replacements for the contractors. Currently, the company hires an unregulated amount of personnel for the summer season due to its high turnover. Thus, it is suggested by the research that the more careful and detailed planning of the recruiting needs would be started already in March. The estimated number of staff needed can be dragged out from the negotiations with the partnering companies as well as managers' assumptions based on the previous years' results. As one of the options, the preliminary planning of the external employees' summer vacations can be requested. Together with the operational manager and the project manager, the summer vacation planning of the company's internal employees is planned and the need for additional staff numbers is dragged.

After careful planning is done, the process of recruiting starts in April. The updated version of the recruiting year clock allows the company to allocate more time to quality hires with the candidates' skills and knowledge being evaluated more precisely as well as more time can be allocated towards employee onboarding, which, consequently, leads to a lower turnover of the new employees within the company. The need for additional staff may still arise during the summer season, however, it is expected to be lower than during the previous years due to the improved process of interviews, which will be examined in more detail further in this chapter. Finally, it is recommended for company to spend more time on the planning stage to achieve a higher number of quality hires that are more likely to maintain the retention levels before the critical time for summer vacation comes (from the beginning of June until the end of August).

The recruiting process, however, does not stop by the end of April. It is seen as an ongoing process that is expected to be occurring by the end of July upon the need. The line managers (operational manager and the project manager) continuously monitor and evaluate the work capabilities of new employees as well as the general workload situation and report it to the HR department. In case the current number of staff is seen as "not enough," the recruiter continues the search for new employees. Alternatively, the company has also faced a period when the present number of employees was high enough for the workload, therefore, it is recommended by the research to consider hiring part-time or 0-hours employees, who can conduct work upon the need or request, and who are not expected to execute a fulltime work. By following this procedure, the company will be capable of assigning the right amount of work to the right number of employees present in the company as well as enhancing and optimizing the internal operations, planning, and finances.

On the other hand, if the quality of the hires that have occurred already during the high season is considered low, it affects employee retention and turnover. The line managers and supervisors, moreover, have less time to allocate to conduct effective onboarding and training for the new personnel. As mentioned before, in case of a small number of incoming applications/absences of applications, the recruiter will most likely be considering and hiring those candidates, whose skills and experiences are not seen as the best fit for the company. The employees with no knowledge of the sector and who do not receive adequate training and onboarding are less likely to succeed in the role, therefore, a high reclamation level from the suppliers might be expected.

By the end of the summer circle, the contracts of the temporary staff hired for the summer period are being reconsidered. Depending on the workload available for the rest of the year, the contracts of the employees whose work performance was high may be extended. The extension period comes from the organizational needs and, therefore, is a point of consideration. The contracts may be extended for several months (for example, until the end of October) or permanent full-time employment. Alternatively, the contracts that were set to expire by the end of the summer period may not be extended at all due to such reasons as not sufficient work performance, low level of workload, etc.

As can be seen from the graphical element, the organization in question has not been considering the operations of the HR department after the end of the summer period and summer recruiting. The updated version of the recruiting yearly clock suggests that after the summer recruiting and offboarding process are closed, the HR department can reinforce the development and training opportunities within the personnel of the company. The development opportunities will be examined in detail in the next chapter of the research. According to the updated yearly clock of recruiting, the developments and trainings may take place during the period of October-February. It is, however, essential to consider the winter vacations occurring both within the company X and partnering organizations, which means that the workload will be growing if compared to the autumn months.

The so-called “Christmas season” does not tend to have the same high workload as the summer period, however, may still require an additional workforce available in the company. If the company does not have enough resources available for conducting the work, the recruiting of temporary staff may be considered. It is also recommended for the company to consider recruiting those candidates who are willing to have part-time or 0-hour contracts. By using this type of work relationship, the company may get additional resources for the higher season that are not necessarily needed to be provided with the same workload during the lower seasons and periods. The employees with 0 hours company will be seen as a useful asset for the company since such employees will be capable of conducting both internal (own company's) and external (partnering companies') replacements.

7.2 Timeline of the recruiting process

The following timeline of the recruiting presented below demonstrates the overall process of recruiting differentiated by the activities and actions taken towards or from the company in question. The timeline, moreover, demonstrates the estimated scheduling of the recruiting process, which is separately discussed in the next subchapter. The time arrangements and scheduling might vary by the urgency, position, and seasonality of the vacancy, therefore, can be modified, however, the timeline, as a general concept, is set to assist the company in optimizing and enhancing the overall process of recruiting in the future. The suggested timeline of the recruiting is developed on the example of recruiting the sales representative to the case company and is presented as Figure 7 below.

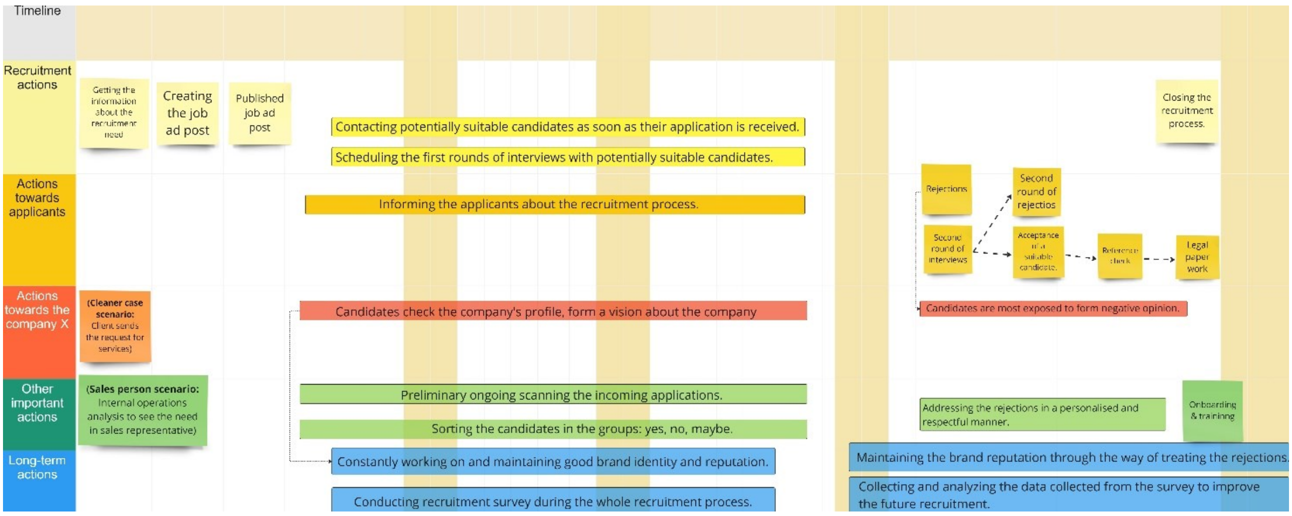

Figure 7. Recruiting timeline (Case: sales personnel)

The overall timeline of the recruiting is scheduled to be conducted in four weeks, including all the stages of the recruiting. The timeline is built on the emerging need for additional staff. It is suggested that in the case of the cleaning personnel scenario, the information is delivered by the partnering company, for example, in the way of the increased workload, therefore, is treated as "Actions towards the company X." In case of sales representative needed to be hired by the company, the need arises from the internal operational analysis. At the time of the research, the company X saw the need for the sales representative due to several reasons:

- The sales are currently executed by the MD of the company

Now, the sales for the whole company are executed by the MD of the company, which leads to an extremely high workload. The initial request of the MD at the beginning of the research project was to build a hierarchy of responsibilities, with accordance to which his/her responsibilities related to sales are expected to be delegated to the assigned person in charge.

- The termination of the existing contracts

At the point of the research, the current contracts with the government companies were set to be terminated due to the rise in prices. Due to this, the employees of the company had to be laid off. To be able to provide all the workers with a sufficient workload in accordance with their working contracts and contracted hours, the need for attracting new clients and, therefore, obtaining new contracted partners was seen as a "must-have."

- Absence of private customers

Currently, the company's operations are wrapped around cooperation with governmental organizations, partnering with each other, which is only achieved through tender competition. The tender competition does not guarantee a certain level of stability, which prevents the company from building strategic plans. When most of the governmental contracts (gained by winning the tender competitions) were set to be terminated, the need to partner with private companies became crucial. Partnering with private companies would allow the company X to reinforce the working capacities of the human capital as well as to build long-term relationships with the clients, which enables the strategic development of the company. Consequently, the need for sales personnel appeared: contacting potential partners, negotiating, and closing the deals shall be executed by the professional in the sector.

After the need for having an internal sales representative has been recognized and acknowledged, the job ad must be created. It is estimated that the creation of the job post takes three hours at the maximum, therefore, the job vacancy post could be published on the same or the following day. As soon as the first applications have been received, the recruiter might start the scanning process to trace suitable and unsuitable candidates right away. The candidates start their impression formation by getting familiar with the company's profile, its services, and operations. It is recommended for the company to react to the applications as soon as possible in a personal manner as well as to inform them about the timetable of the recruiting process, if not separately described in the job ad. Quick and personalized responses and detailed information regarding the recruiting process assist in creating a positive perception of the company and building a stronger brand image and reputation on the market.

In the sales representative case, the job ad was published on 28 September 2022 with the deadline for the applications set as 16 October 2022, summing it up to 2.5 weeks of recruiting time, during which all the applications are being scanned. It is recommended for the company to contact the preliminary suitable candidates right away to keep them interested in the proposed job. In the case of the cleaning personnel, however, the candidates that are due to some reasons are not found suitable can be contacted after the first stage of the recruiting process is over. This is because the situation may change dramatically, and the company may face the need for a higher number of cleaning personnel, whilst the initial reason for the rejections (such as lack of experience) could be neglected. In the company's past experiences, some of the candidates who have already been rejected had to be contacted again due to the rising need for employees. Such an approach does not create a stable impression of the company for the potential employees, demotivates people to join the company as well as limits the number of candidates who are still available for the job in question (as some candidates had received another job offer during the process of consideration). For the salesperson or any other line manager's position, it is, however, recommended to consider the rejection letter as soon as it is known by the recruiter.

The rejection letter shall be written in a personal manner with an explanation of the reason why the applicant has not been selected to proceed in the recruiting process. During the process of the application scanning, the candidates are sorted out into the subcategories: yes, no, and maybe. By sorting the candidates out, the recruiter can form a list of the candidates who are suitable for the position (the "yes" subcategory) as well as whose skills, experiences, and knowledge need to be examined in more detail (the "maybe" category). The employees who fall into the "yes" or "maybe" categories are invited for the first round of interviews, followed by the case task in case of a successful interview.

The recruitment survey is one of the stages in the middle of the recruiting process. It is decided by the recruiter when the recruitment questionnaires are shared with the candidates. The survey can be sent to the candidates after the first contact, after an interview, or even after the overall recruiting process is over. The recruitment survey as a separate dimension of the recruiting process will be explained further in this chapter.

During the last week of the recruiting process (in the sales personnel scenario: week 42), the recruiter proceeds with the chosen candidates. The second round of interviews is organized, and the most suitable candidate is chosen. The second round of interviews is conducted together with the MD. The second round of interviews is followed by the second round of rejections for those candidates who were not found suitable for the company. It is recommended for the recruiting team to inform the candidates who were not selected for the position personally, for example, through the phone call, to demonstrate the value of the time and efforts the candidates have spent on the recruiting process as well as to specify the exact reasons for rejections. The candidate who has been seen as a right fit for the company and who is willing to take the position in the company moves to the next stage of recruiting: hiring. The recruiter is responsible for the start of the paperwork related to employment and the reference check. The final stage of the recruiting process is the onboarding of the newly hired sales representative.

7.3 Recruiting process

The recruiting process of cleaning personnel to the company X was taken as a basis for analysing and drawing conclusions for the “recruiting process” subchapter of the research since the rates of cleaning personnel recruitment in the company X are the highest. The template created allows the representative of the HR department to apply the same structure to the other positions. The graphical element demonstrating the recruiting process is presented as Appendix 1.

The first stage of the recruiting process in the company X is determining the need for additional personnel. The first notice is given by the project manager, who evaluates the current need for new employees. Based on the estimated need for additional staff, the recruiter creates an appropriate job description based on the information received from the project manager. The variables are normally sorted as following:

- The expected type of work executed

Gender and age parameter plays a sufficient role in this aspect. Since the company X performs diverse types of cleanings, the gender requirements are determined by the category of cleaning. For deep cleaning and other project works, physical powers are essential, therefore, men are recommended to be hired for the positions. For maintenance (regular) cleaning, the pre-request of gender does not play a significant difference.

- Skills and knowledge

Depending on the seasonality variables, less or more educated personnel might be considered. During the high season, the training time is limited, therefore, more skillful candidates are recommended to be considered. For the lower seasons, when the training times can be extended, less skillful candidates can be considered.

- The length of the working relationship and the type of employment

During the high season, the need for employees is respectively high, therefore, the seasonal workers are attracted mostly. The high season in the context of the organization is determined by the summer vacation period: from the beginning of April to the end of October. Thus, the length of the contract is mostly set as a temporary work contract, the ending of which varies from the end of August to the end of the overall summer season (September, or, in certain cases, the end of

October). Currently, the workload of all the employees is full-time, 37,5 hours/month. The company is aiming at integrating part-time working contracts as well as enabling 0-hour contracts.

By determining the employee's needs, the job post is created and distributed through various channels. Currently, the company is only capable of employing Russian-speaking personnel, therefore, such platforms as Doska.fi and Facebook groups and communities (e.g., Русские в Финляндии / Russkie v Finlandii, Финляндия Работа Finland Job Network Помогаем Нашим!) are the main channels for job post distribution. Moreover, a significant part of new employees is attracted by the present employees of the company, in other words, word of mouth. In addition, TE-Toimisto webpages might be used upon the company's capability of increasing the human capital and extending its operations including Finnish and English-speaking personnel. Finally, direct employment can occur by applying through the company's web pages (Figure 8).

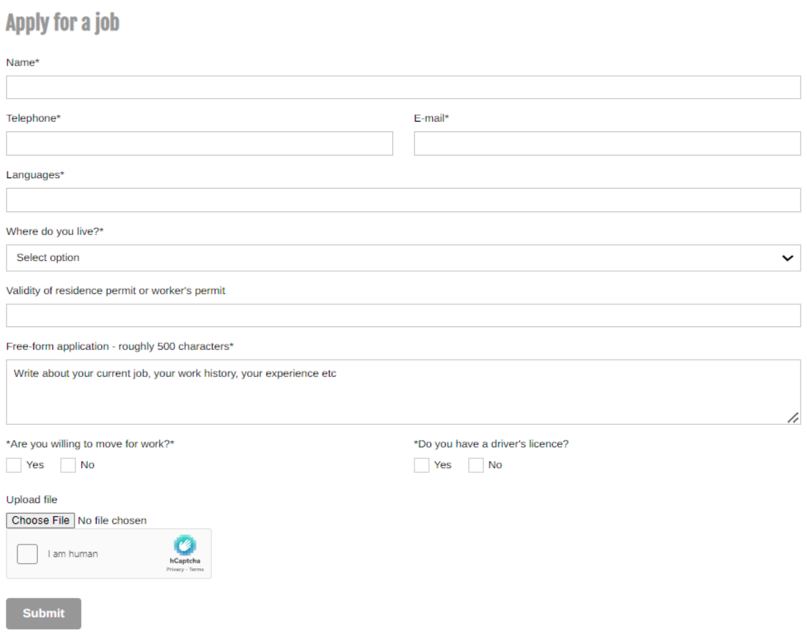

Figure 8. Submitting applications through the website. (Company X 2022, accessed 10 October 2022)

As a part of the research, the researcher has moreover created a suggestion for recruitment webpage modifications for the direct applications sent to the company X. The modifications suggested are presented as Appendix 2.

After posting the job vacancy available, the HR executive conducts a scanning of the incoming applications as well as considers the open applications on Doska.fi. The candidates that are found suitable after careful consideration of the applicants' profiles are contacted via email or phone call and are invited for an interview. During the first contact with the potentially suitable candidates, the recruiter briefly introduces him/herself on behalf of the company, as well as asks a candidate to introduce themselves and, in some cases, to provide information that was missing from the application information. The following information is recommended to be provided in the application:

- Region of residence
- Age
- Residential and work rights (e.g., residence and work permits)
- Driving license.

As mentioned before, an applicant might be rejected already in the current stage. For instance, the company does not provide relocation support as well as has a limited geographical operational capacity, therefore, applications from candidates who are residing outside the operational area and are not interested in relocation will be rejected. Additionally, during the high season, employment relationships are expected to start immediately or as soon as possible. Those candidates who already possess a valid residence permit are legally allowed to start working immediately, whilst candidates from outside the European Union must apply for legal residence and the right to work. According to Maahanmuuttovirasto (s.a.), at the time of the research, the estimated waiting time for the decision varies from 2 to 4 months. The person, moreover, cannot start working before the residence permit card is delivered to the recipient, therefore, their recruitment during the high season is not likely to occur.

Currently, the job interview conducted in the company does not focus on candidates' skills and knowledge, therefore, there is a high turnover of employees in the company. According to the research, the current overall turnover of the employees in the company is 53 %. The turnover of employees excluding those employees, who have left the company of their own will after the trial shift, equals 43 %. With the help of the developed strategy of the recruiting process, the researcher is aiming to decrease employee turnover and increase the retention of staff by integrating a more structured, detail-orientated, and skill-evaluating system of recruitment. The system will be discussed further in this chapter.

During the research work, it has been also figured out that there is almost no system of candidate evaluation and selection since the biggest attention during the interview is paid to the company presentation, its operations, and job description. Most of the candidates, whose working rights are valid, were hired for the position despite their skills, experiences, and knowledge. During the discussion, the recruiter introduces the work contract and its content as well as conducts introductory training. The following aspects are covered:

- Type of the contract (e.g., temporary/permanent, full-time/part-time).
- Duration of probation period.

- Salary and payment schedule.
- Finnish taxation system.
- Location of the work sites.
- Appropriate company property usage (e.g., uniform, keys).
- Non-disclosure agreement.
- Work schedules and shift planning.
- Sick leaves and medical insurance.
- Work absences and day off requests.
- Job responsibilities neglections and warnings.

After all the aspects are introduced and the candidate is left with no questions, the contract is signed. It is allowed by the company rules to not have all the documents ready at the moment of contract signing; such documents as bank account numbers or tax cards may be delivered before the next payday. The employees were provided with detailed instructions on the procedures they shall be following to receive the needed documentation as well as were assisted by the managers of the company X with booking appointments to various governmental establishments (e.g., Digital and Population Data Services Agency, taxation office, bank). The greatest difficulty was noted to come from the absence of bank accounts: in most of the local banks, the process of opening a bank account takes from several weeks to 2 months, which means that the salary cannot be paid on time. Alternatively, the employees are provided with an individual PFS card (Prepaid Financial Services, currently known as EML card) granted by the Finnish Immigration Services (Prepaid Financial Services 2021).

The card is meant for receiving social benefits and salaries, however, the company has experienced issues with transferring the salaries to the holders of the card since the transactions tend to return to the company's bank account, which required additional actions from the accountancy department and consequently lead to the delays in salary payments. Moreover, the only way the holders of the card can use it is by withdrawing cash. Some of the employees were not willing to open personal bank accounts in local banks due to the complications of the process as well as limited language skills. It is, therefore, recommended for the company to assist, advise, and supervise the process of opening the bank accounts for the employees to provide them with a smoother switch from a social bank account to a personal one. In this case, both employees and the employer will benefit from the switch: the employees will be able to receive their salary at the scheduled times without delays as well as use salaries freely with no limitations, while the employer will eliminate additional actions after the scheduled salary payments.

The developed recruiting strategy suggests that hiring a candidate should be conducted in a more structured manner. As per se, the research suggests that the biggest part of the first interview should not be focused on the contract details and company presentation; instead, it is recommended for the recruiter to spend this time getting to know the candidates, his/her skills, motivations, and interests. Currently, these parameters are not paid enough attention by the recruiting team, whilst the company's interest is focused on finding out whether the candidate fills the bureaucratic parameters of the employment, such as, for example, work rights. As mentioned before, this increases the rates of mismatch employment due to the lack of identification of candidates' capabilities in the interview stages. The suggestions for the interviews will be discussed further in this chapter.

After the contract is signed, the employee starts to work at the agreed time and place. He/she is provided with the contact details of the line managers and supervisor in charge. It is recommended for the company to integrate the recruitment survey as a tool for evaluating and analysing the quality of the recruiting process and candidates' overall impression of the company.

7.4 Recruitment survey

The recruitment survey suggested for the company X consists of 7 general mandatory single-selection questions and 1 voluntary open-ended question covering the overall process of recruiting. The questions presented in the survey cover such topics as the convenience of application submission, recruiting timetable, speed of the first contact, job description clarity and coherence, recruiter knowledge and professionalism, and channels through which the vacancy was found.

The estimated time required to fill up the questionnaire is 3 minutes. The structure of the survey allows the recruiter to share the questionnaire during various stages of the recruiting process upon the need to gather the data: at the stage of candidates' profile scanning, after the job interviews as well as after the selection of the suitable candidate has been made. Since the survey is meant to enhance the overall process of recruiting, it is recommended for the recruiter to use the survey after the first contact with all the applicants. By doing that, the recruiter will be able to collect more data from the applicants. If the questionnaire is shared after the applicant's rejection, the motivation level of the applicants to participate in the survey will be significantly lower.

The survey was intended for recruiting the position of sales representative to the company. However, the survey's structure allows the recruiter to use the same questionnaire for recruitment for other positions. During the high season, the recruiter can collect more data since the number of applications received for the cleaner is higher than for the position of sales representative.

Considering the current language skills of the employees, the recruitment survey can be translated into the Russian language as it is the main operational and working language of the company.

The recruitment survey is presented as Appendix 3.

7.5 Interview template

During the research work, it has been found out that the case company does not have any system for the interview process, therefore, the planning tool presented has been created. The template was created based on the ongoing recruitment of the sales representative. The suggested template can be furthermore modified and applied for structuring the interviews for any other position in the company.

The interview process's planning starts with the identification of clusters of information needed from the applicant. The information needed can be distributed into categories by the position in question. The sales personnel interview is taken as an example. The following subcategories have been drawn up for the sales representative position and are visually demonstrated in Table 2 below:

1. Work experience and education.
2. Motivations.
3. Personal characteristics.
4. Teamwork.
5. Relationship with management.
6. Availability and working model.

Table 2. Interview template

	Work experience	Motivation	Personal	Teamwork	Management	Availability & Salary
What do we need to know about the candidate?						
Possible questions on what we need to know.						
Possible answers to the questions asked to help the recruiter.						

The chosen categories would allow the recruiter to analyze both the personal (general) and working (specific) characteristics of the candidate by finding out what exactly he/she needs to know about the candidate. Based on features that are needed to be received from the candidates, the recruiter can formulate the exact questions. The system suggested is seen as an asset for the company since it allows the recruiting process to be executed not only in a structured but also in a logical manner. The further questions suggested are derived from the specific categories and provide the recruiter with the position-specific data. The information needed to be explored by the recruiter in the frame of the research is presented in Table 3 below.

Table 3. Information needed to be explored by the recruiter

Work experience	Motivation	Personal	Teamwork	Management	Availability & Salary
Relevant work experience	Motivational factors	Strongest and weakest qualities	Preferences for independent or teamwork	Openness to taking instructions	Availability

Work experience	Motivation	Personal	Teamwork	Management	Availability & Salary
Educational background	Factors influencing performance	Attitude towards failures	Leadership	Attitude towards criticism	Working model
Position specific skills		Position specific characteristic and behavioral patterns	Communication skills	Ability to express disagreement	Salary request
		Stress resistance			Work model

By applying this planning tool, the recruiter is more likely to receive the exact information about the candidate's skills and competencies and avoid the information that has little or no relevance to the recruiting process. Moreover, the system suggested is meant for time-saving purposes: the recruiter can either modify the questions upon the need or proceed with the same questions for the other recruited positions, therefore, the planning stage of the overall recruiting process will be shortened as well as the quality of hires is expected to rise. The template demonstrating an example of interview questions asked is presented as Appendix 4.

It is also recommended for the recruiter to produce a list of possible "correct" answers to ease the evaluation of all the candidates, However, most of the questions are seen as "theoretical," i.e., do not have a practical and correct answer, therefore, the "ideal" answers can often be subjective. Despite this, the expected answers can also be put as a part of the planning tool for the recruiter to gain a full understanding of the position-specific requirements expected from an employee as well as to draw an "ideal candidate profile." The rating of the answers can also be assigned for the evaluation process. The recruiter is free to decide how to build the evaluation system since it is dependent on the position in question. In some cases, the answers may be assigned points, the biggest number of which brings the candidate to the next stage of the recruiting process. In the case of the sales representative position, the evaluation has not been integrated, in other words, the recruiter considers the overall relevance of the experiences of the candidate on the position applied. To build the overall picture of the ideal sales representative needed for the company X, possible answers have been created as a part of the research, which are presented as Appendix 5.

7.6 Interview case task

The second round of interviews for the managerial position is conducted by a hiring manager, who was, at the time of the research, responsible for the execution of the HR responsibilities. The test case study would allow the hiring manager to identify and evaluate the candidate's technical skills and base the second round of interviews on the discussion of the answers given. The following task, presented in Appendix 6, was created for the sales representative position advertised at the moment of the research.

The test task is sent to the candidate’s email one or two days before the interview, preferably at the same time as the confirmation of the second round of the interview. There is no deadline for submitting the task, but it shall be submitted before the interview day for the hiring manager to analyze the answers and structure the discussion of the interview. The candidates are encouraged to complete the task in a free form in their language of preference. It is strategically essential that the candidates can communicate in both English and Finnish, therefore, they are free to choose the language for completing the task.

There are no correct or incorrect answers to the case study. Instead, the recruiting team is interested in analyzing the thinking and vision the candidate is about to bring to the company. Moreover, the case study will give a hiring manager an understanding of whether and to what extent the candidate is capable of the preliminary company analysis and strategy formation in terms of the department and the overall company.

8 Strategic HR development

This chapter demonstrates findings and development ideas for strategic development of HR practices in the company X implied as a second part of the empirical part of the research.

8.1 Reward management

At the start of the research, there was no standardized reward management system in the company X. The findings below demonstrate how the reward system suggested by the research can be integrated into the HR operations within the company X. The findings are based on the KPI management of the HR department of the case company.

8.1.1 KPI measurement

In accordance with the strategic values demonstrated by the company X, it is essential to understand that the following values proclaimed by the company should impact employee reward distribution. The strategic objectives of the company X in terms of cleaning services can be identified as following:

1) High-quality cleaning services
2) Work execution with attention to detail and devotion to the working process
3) Services that provide client retention and the attraction of new clients.

Individual employee performance in this case plays a significant role in strategic value execution, therefore, KPI management strategies are recommended to be followed. By following individuals' KPIs the company X is entitled to assign bonuses and rewards to a certain employee or groups of employees. Since part of the working process (e.g., maintenance cleaning) is conducted individually, it is essential to evaluate and reward an employee who has met the strategic goals on his/her premises. The process of deep cleaning or project work often, or always, involves team cooperation, therefore, the KPIs of individual achievements provide an unfair evaluation of the work conducted. In this case, the KPIs are recommended to be measured as a whole, without considering each employee individually. Instead, the time and the efficiency of the group may be considered and evaluated. On the other hand, teamwork does not always mean equal work contribution and participation in the working process, therefore, the manager assigned to the service control shall evaluate the process of project implementation and keep track of the individual efforts allocated to the process as well as to stimulate the work efficiency of each individual member of the group. Following that, KPI management shall be integrated into the operations of the company, however, does not necessarily and always have to be linked to an individual and/or his/her performance due to a considerable risk of an error under the influence of external circumstances.

Figure 9 below demonstrates a balanced scorecard of the HR department in the company X. The balanced scorecard was created as a part of the research and delivered to the company's management group immediately after the completion of it.

Perspective	Financial	Key stakeholder	Product and Process	People, knowledge, culture
Success Factor (aims)	**Maximize return on employee**	**High employee satisfaction rate**	**Low employee turnover rate**	**High competencies of employees**
KPIs (performance measures and targets)	Cost per Employee (inc. benefits, insurance, etc) Revenue per Employee	Employee Satisfaction Index	Job Posting Response Rate Quality of Hire Attractiveness of the Employer	Skills Enhancement Number of Trainings Implemented % New Hires Retention
Strategic initiations	Maximized Return on Investment	Employee Wellbeing Survey	Development of Internal HR Systems and Policies Employee Retention Program	Annual Training Learning & Development Opportunities Additional Certifications

Figure 9. Company's X HR Department balanced scorecard

8.1.2 Factors demonstrating KPI contribution

Numerous factors have a direct or indirect influence on the individuals' KPIs within the working environment of the company X. The following factors have been identified during the research:

1) General cleanliness of the premises
   - Results of dependent audits conducted by service and project managers.
2) Time allocation
   - High speed of project completion (e.g., deep cleaning).
3) Customers' (e.g., residents) feedback and their satisfaction with the services provided
   - Results from customer satisfaction surveys and overall number of complaints from the partnering companies.
4) Fiscal metrics monitoring
   - How many square meters are cleaned per hour divided by the number of direct labour hours it takes to clean them (considering the other factors such as the number of floors, heights of the ceiling, number of windows, and their size)?
5) Financial results
   - Expenses on budgeted services compared to actual costs (including labour, equipment, detergents, and consumables cost).

By applying this approach of systematizing the KPIs, the company can extend the employees' motivations of executing their job responsibilities with attention and high(er) quality as the expectation of the reward will be present in his/her mind. On the other hand, the more frequent the compensation is, the more frequently the employee will *require* it, as it will be perceived as a new working "norm". Therefore, it is essential to fairly measure and distribute the amounts and the frequency of the rewards being paid based on the analysis of the factors influencing the KPIs and the overall results presented within the metrics. There are several reward types currently available in the company:

1) Delivered in monetary values (e.g., rewards, one or several times salary increases).
2) Free time and free time activities (e.g., paid days off, events for the group, activities vouchers).
3) Promotional (e.g., higher responsibilities and corresponding pay increase).

8.1.3 How to measure a reward based on the KPIs

The number of rewards paid to the employees is measured in close cooperation with the accountancy department and the HR manager, the MD of the company, and the person responsible for the control of work. The line manager responsible for the control of work execution informs the management about the work progress and performance that the employee (employees) has (have) demonstrated and whether he/she/they are entitled to the rewards. The MD and the accountancy manager are measuring the percentage/amount of the reward to be delivered to the employee or employee groups. The MD and accountancy manager measure the possible rewards by asking the following questions:

- What proportion of the business costs is currently allocated to the reward payment?
- How much of the overall budget can be allocated to the reward payments?
- How will an X % increase in reward payment affect the business and the overall budget of the company?

The amount is dependent on the importance/priority of the project/work conducted. The reward paid for the regular (expected) job execution with diligence and accuracy is worth less than project completion because diligence and accuracy are a part of the employees' daily responsibilities. In this case, it is essential to develop a certain matrix of the percentage/value to be delivered by different means. The parameters applied to diverse types of cleanings serving as a base for reward distribution are presented below in Table 4.

Table 4. Parameters of reward distribution for maintenance and deep cleanings

Maintenance cleaning	Deep cleaning and other project works
- Paid quarterly	- Paid quarterly or upon earlier (and successful) project completion
- Assigned to those employees whose criteria satisfy the parameters of the reward system	- Assigned to those employees or groups who have managed to complete projects successfully (or complete projects successfully regularly)

Maintenance cleaning	Deep cleaning and other project works
What are the criteria to be met?	**What is a successful project execution?**
- Low level of complaints from the client (e.g., residents, partnering companies' representatives)	- Low level of complaints from the clients (partnering companies)
- Adequate usage of cleaning materials	- Project completion without delays or earlier than scheduled initially
- Highly independent work execution	- Equal input in the working process, teamwork, and absence of conflict speculations (unrelated to the working process discussions and arguments)
- Number of special cleanings conducted over a certain period	- Adequate usage of cleaning materials and detergents

8.1.4 Strategy of KPI measurement and reward distribution

This subchapter presents a step-by-step strategy suggestion on the process of measuring the KPIs and distributing the rewards assigned to the employees or group of employees. The suggested strategy not only describes the overall process of measuring the KPIs and distributing the rewards but also contains two exercises for the line managers for a fair evaluation of the work performances in relation to the strategic goals of the company X.

Step 1: Goal setting for each branch of the cleaning services executed by the company

Instead of measuring performance, goal achievement progress is recommended to be measured. To do so, each type of cleaning service currently executed by the company for the partnering organizations shall be assigned with a certain, well-developed strategic purpose and goal, upon completion of which the rewards may be assigned to the employees involved in the process of service execution. The following parameters are suggested to be considered:

- Strategic objectives behind a specific cleaning service.
- Key performance goals.
- Core skills, values, and behaviours required to deliver these (e.g., the experiences and competencies of the employees in charge of the service execution).
- Current reward strategy in use and potential for changes.

- Workforce plan (e.g., the number of employees assigned to a premises/group, number of working hours scheduled).

Step 2: Goal achievement measurement

After the goal has finally been achieved (or, for example, the project was successfully finalized), performance should be measured and evaluated. The following questions may be asked:

- Has the goal been achieved on time/earlier than scheduled?
- Does the quality of the work done correspond to the standards proclaimed?
- How many various resources have been allocated to goal accomplishment (e.g., cleaning supplies, work power, assistance from higher management, independent work, etc.)?
- How does the accomplished goal add value to the company?

The exercise presented below in the form of Table 5 can be delivered to all the line managers and supervisors and shall be compared after the completion of the task. The results received will indicate the average/common vision of the reward's importance, its efficiency at the current moment, the potential to grow as well as a mutual understanding of which aspects entitle an employee to the reward. According to the table, the employees who correspond to and accomplish the set objectives can be selected for the reward. (NHS Employers 26 May 2021.)

Table 5. Reward Objective Matrix exercise for line managers (adaptive from NHS Employers s.a.)

Objectives	**Strategic Relevance**	**Current Effectiveness**
Reinforce the achievement of organizational goals		
Recruit and retain staff of the required level/skill set		
Facilitate staff and teamwork		
Reinforce organizational values		
Motivate and engage employees		
Cost-effectiveness		
Efficiency/capability to operate/maintain the working process		

Objectives	Strategic Relevance	Current Effectiveness
Flexibility, quick reaction to changes		

Scale: 10 = high, 1 = low (NHS Employers s.a.)

Each of the objectives stated in the table is rated by the line managers on a scale from 1 to 10, where 1 is the lowest and 10 is the highest. With such scaling, the line managers and supervisors can identify the strategic relevance and the current effectiveness of each dimension. In other words, the management team can draw a picture of strategically essential objectives and the current level of its execution by the employees. The objectives presented in the table above are given as an example of the objectives, therefore, company X holds the right to modify and change the objectives upon the need or current strategic relevance.

The results of the questionnaire are later formed into the chart as an average value between the strategic relevance and current effectiveness. The x-axis represents the strategic relevance of the objective, and the y-axis represents its current effectiveness. Based on the results of the reward objective matrix, the objectives are spread around the chart according to their results on both axes. Ideally, the objectives in the upper right corner (strategic strength) shall indicate the objectives that are well-analyzed and executed, and act as a competitive advantage for the firm. The dimensions in the upper-right corner moreover indicate that this objective is not only needed for the company but also is currently recognized and executed well by the company. Objectives that ended up in the lower left corner and lower right corner are irrelevant or weak respectively. It is then recommended to focus on the dimensions that fall into the lower right corner (“needs to be developed” category) and to be gradually moved to the upper right corner, while the dimensions from the lower left corner shall be ignored as they do not have a significant strategic impact. It is, however, possible instead of completely ignoring this dimension to increase attention to move it diagonally. The objectives that fall into the upper left corner shall be reconsidered: in this case, the objectives are well-executed, however, have no strategic relevance to the operations of the company. Therefore, the resources allocated to the tasks shall be re-determined towards those objectives that carry a more significant strategic relevance and are currently not effective enough.

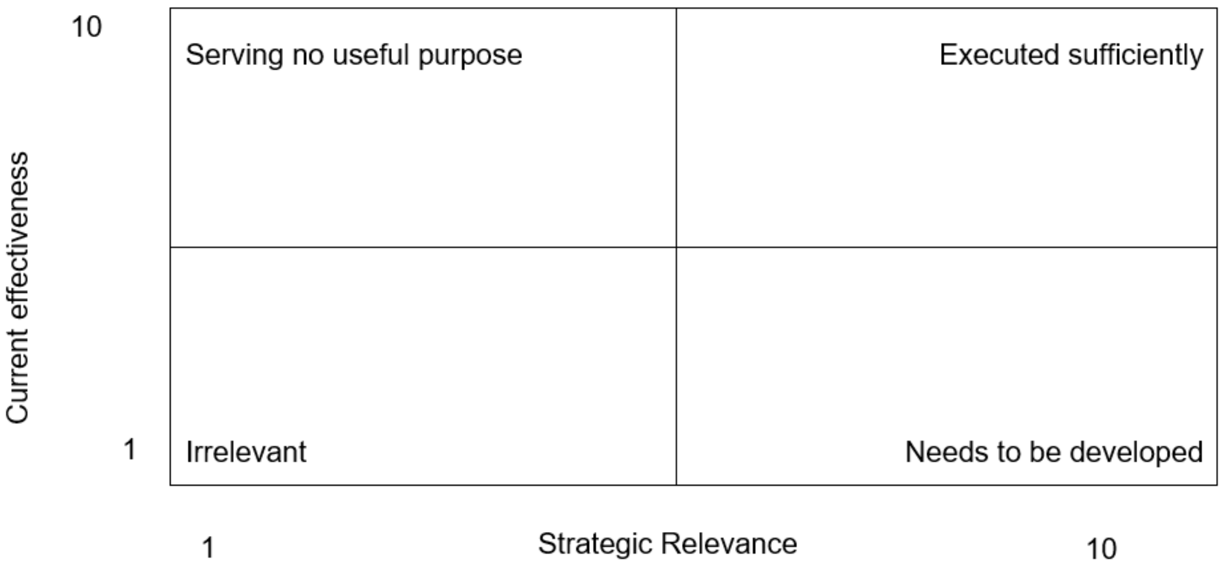

Figure 10. Implementation of the strategic KPIs, their relevance, and current effectiveness (adaptive from Quantum Workplace s.a.)

Exercise 2 which is presented above in Figure 10 allows the line management to track the evolution of the resources available in the company and to measure and assign rewards to those employees who bring the most value to the strategic development of the company's KPIs.

Step 3: People analysis

Based on the previous exercises, the line managers will have a picture of the strengths and weaknesses of the current strategically important values proclaimed by the company. To be able to assign a reward, it is essential to conduct people analysis based on the chart results. The following questions might be asked:

- Who of the employees maintains the position of his / her KPI on the upper right level?
- Who of the employees has a lower KPI based on the chart?
- Who of the employees has presented a vertical or diagonal growth towards the strategic strength field?
- Who of the employees falls into each dimension? Which of his/her qualities are strategically relevant (which of his/her qualities are high at the strategic relevance axis?)

Ideally, each employee or group of employees shall be analyzed according to the chart presented to distribute and assign the rewards objectively and fairly.

Step 4: Award assigning

After careful consideration of the goal achievement and performance measurement, the researcher recommends the type of reward given to the employees. The options shall not always be the same, they should vary to avoid the “getting used to one” approach as well as to avoid employees’ expectation of the reward. The awards can be given in monetary benefits, additional off-days (paid), or other benefits. The employees might be offered a chance to choose a suitable option out of those offered by the management.

8.2 Additional certifications

To expand the operational capacity, one of the strategic decisions made by the company was aiming at the construction market, which is often associated with the private (non-governmental) market. For the construction sites, additional certification is required. The needed certifications include:

- Occupational safety card.
- Identification card.

An occupational safety card is obtained by attending the lecture from the certified executor and passing the exam. The identification card is obtained by providing personal details such as passport and social security number, tax registration number, contact details, and a photo. Both cards are obtained with a separate payment.

As a part of the research, additional certifications trainings were arranged. The expenses of obtaining the work permits were paid by the employer as a long-term investment in upskilling the employees.

8.2.1 Occupational Safety Card

Since obtaining those certifications is seen as an asset for the company to move to the new market and acquire new clients, the decision to upskill the employees has been made and executed. The managing director of the organization has sufficient certification to execute the course of lectures on occupational safety, however, due to the high workload, the seminar was decided to be executed by an outsourcing company. A sample group of 9 people has been chosen from the deep cleaning group to attend the seminar executed by Savarus Oy, which provides learning courses for various work permits. The cost of one seminar is 100.00 EUR + 24 % VAT/person, resulting in 1116.00 EUR (incl. VAT) for the sample group.

As mentioned before, all the expenses on the additional training are paid by the employer, however, to secure the credibility of the resource investment, employees were asked to sign the form which ensures that if the working relationships are terminated upon the employee’s will before the agreed with the employer date (one year since the day of the event), the employer reserves the right to charge training fees from the employee in the amount of 124.00 EUR. The consent form delivered to the employees is presented as Appendix 7. An example of the occupational safety card is presented in Figure 11.

Figure 11. Example of the occupational safety card (Savarus 2022)

8.2.2 Identification Card

The identification card granted by Vastuu Group ensures a secure permit to enter the construction sites. The authorities check personal background and information before permission is granted to ensure that only eligible employees are present on the site and their backgrounds comply with Occupational Safety and Health Act guidelines. (Vastuu Group 2022.)

As mentioned before, the identification cards are also granted with a separate payment, which makes up 41.17 EUR/person (including VAT and delivery fee). Thus, the final sum for the sample group and one additional employee who had already obtained the occupational safety card before employment in the company was 411.70 EUR and was paid by the company too. An example of the identification card is presented in Figure 12.

Figure 12. Example of the identification card (Vastuu Group 2022)

8.3 Annual training

The research suggests that to ensure the quality of the cleaning services, all employees must undergo annual training. During the research, it was found that there is a high number of disturbances handled by the quality control manager, which creates an additional workload for the management team. The core problem was identified as unstructured, non-systemized, and rather chaotic training at the beginning of employment. New employees do not receive detailed familiarization with various chemicals used by the company, types of surfaces, and materials, and often do not get adequate training at all, especially during the high season employment. Consequently, employees often act at random, which causes complaints from the key clients and increases the workload for the management group.

As per se, the author of this thesis recommends the case company arranges yearly training sessions to ensure the mutual understanding of the processes between all the employees, reinforce the motivation levels of the employees as well as provide development opportunities. The detailed planning of the annual training and its execution was not considered part of the research and so is presented as a scope of ideas open for future development by the management team.

Annual training is possible to be arranged both online and offline. The content of the first part of the annual training covers the theoretical information regarding the visions, values, and standards that the company X follows. That includes:

- Common knowledge and a general understanding of the processes.
- Cleaning quality and rules (e.g., cleaning utensils, materials, etc.).
- Company’s confidential information and its disclosure.
- Acts in case of abnormal situations (e.g., emergencies).

This information is always referred to during the onboarding part of employment, however, it is essential to consistently “remind” the employee of the essence of following the company’s policies and working towards achieving the set goals of the overall business strategy.

The second part of the annual training may be referred to as practical training and may be arranged in case of the offline format of the event. During this part, the management may go through the practical details of the cleaning, the most frequently arising issues, and workable solutions to them. During the research, the company's managing director stated that the practical training may not be possible to execute due to the various specializations of employees (e.g., deep cleaning or maintenance cleaning). As a possible solution to the problem stated by the managing director, the author of the research may suggest several arguments.

Argument 1: The arranged practical training may not necessarily concern the specific type of cleaning. Instead, it is possible to bring employees' attention to the correct usage of cleaning chemicals, detergents, and utensils, safety training of the machinery usage, agronomy training, and actions in emergencies.

Argument 2: All the employees shall be interchangeable. In certain cases, the pre-formed groups for deep cleaning and pre-assigned personnel for the maintenance cleaning shall be replaced. In many cases, the person who does not normally execute a certain type of cleaning is not capable of executing the expected work properly, which causes complaints and additional work for the line managers. Therefore, it is essential to ensure that all the employees are at least preliminary familiar with the functions of distinct types of cleaning.

Argument 3: After the main course of the general standards, the employees may be divided into groups by their professional specialization, where the specific details are studied in separate groups. In this case, the manager responsible for a certain type of cleaning addresses the cleaning-specific questions, most frequently made mistakes, and specific requirements.

The third part of the annual training is optional; it is possible to introduce a testing system for the employees to check their participation in the annual training. The test does not necessarily need to give points to the employees and may be arranged in the form of a game, for example, using the Kahoot platform. Alternatively, if the management decides to move on with proper testing with “pass” and “fail” options, questions may be created in the form of the situation that employees might be facing during the working process and that have been addressed during the training.

For each task, the employee is supposed to choose the correct answers on how to act in various situations. The answers are marked with correct or incorrect points; to pass the training successfully, employees must complete the test with the needed number of points (e.g., 8 out of 10). If the test is failed on the first attempt, the employee has the right to retake the test. The correct answers are not visible to the participants, only to the evaluators. The author of this research has developed an example of types of questions that can be addressed during the training and are presented below.

Examples of the situations to be asked during the annual training

Upon arriving at work premises, you see a forgotten bag in the corridor. Your actions:

- You try to find the owner of the bag.
- You throw the bag away.
- You leave it unattended.

You have noticed that one of the washing machines at your premises is broken. Your actions:

- You try to fix it yourself.
- You call the manager in charge.
- You ignore the issue.

The stranger asks you to borrow the housing key because he/she has forgotten his/her own. Your actions:

- You give your key because you understand how unfortunate the situation is for the resident.
- You do not give the key to the resident but open the door to him/her yourself.
- You do not give the key.

One of the residents is asking you for the details of work arrangements on the premises, e.g., how many times a week and for how many hours is the cleaning conducted on this site?

- You provide the resident with information because he/she is entitled to know it.
- You only provide the resident with information that does not seem to be important/information that can be gathered from public sources.
- You do not provide any information to the person because it is considered internal company information.

You have slept through your shift. Your actions:

- You will act as if you are at the workplace and finish the day according to your normal schedule.
- You will come to work when you can and will finish it after executing 7.5 hours of duty (e.g., 08:45-16:45 instead of regular working time)
- You will call the supervisor or manager in charge.

9 Conclusion

This chapter summarizes the scope of the research paper.

9.1 Summary of the research process

The main objective of the thesis was to strategically develop the operations of the HR department of the company X to enable its growth by optimizing and standardizing the operations within the HR department. According to the company's MD, the absence of standardized HR department structures was limiting the company's capacities for developing and enabling its development.

The research results have been developed through the literature review, workshop participation, and several rounds of interviews with managers of the company X. The literature review started with a broader examination of the concept of HR and HRM, its history, and current essence, already introducing the concepts of employee development and HR operations that were investigated later in the research. Further, the literature review was focused on the development of HRM in SMEs and the importance of HRM in such organizations. Later, recruiting and employee development processes were examined.

In the workshop settings, it has been identified that the major gap in the operations for the company X was the absence of standardized recruiting operations. These processes, such as the recruiting year clock, timeline of the recruiting process, recruiting process, recruitment survey, interview template, and interview case task were examined and developed resulting in the scope of the standardized operations recommended for the company to follow. During the research process, together with the management team, it was identified that employee development within the company is seen as another limitation for reaching the set organizational targets. Subsequently, the development ideas in terms of employee empowerment and engagement were suggested in the research paper.

During the research process, the following topics of HRM development in SMEs were developed: Recruiting Development and HR Development. Figure 13 below demonstrates the relation of the topics developed to the research questions asked at the start of the research.

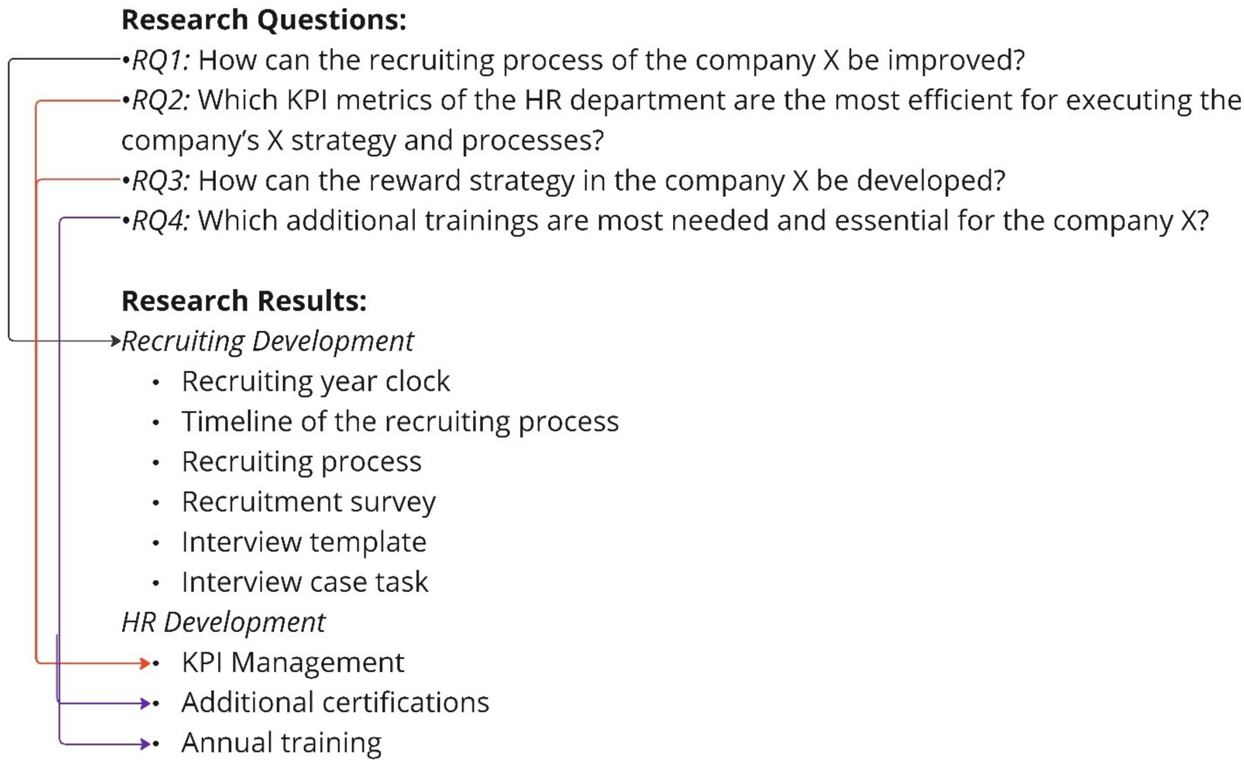

Figure 13. The correlation between the research questions and research results

As can be seen from Figure 13, all the research questions have been investigated and answered, as well as all the developed results are related to the scope of the research and the research questions asked.

9.2 Result examination in relation to the research questions

RQ1: How can the recruiting process of the company X be improved?

During the research process, it has been identified that the recruiting process of the company X can be improved by using the standardized forms of the recruiting processes. The standardized forms of the various aspects of recruiting developed during the research would allow company X to avoid the bustle during recruiting processes as well as to make more concrete estimations on the number of personnel as well as their profile. Moreover, the developed framework suggests that keeping track of the recruiting year clock as well as a timeline of the recruiting through a year would allow the company to equally distribute the efforts and attention paid to the employee development and recruiting processes.

Apart from the internal necessity of developing the aforementioned process of recruiting, the suggested framework would also allow company X to enhance the candidate experience by collecting their perception of the recruiting process, which is set to result in creating a more candidate-friendly and content-full process of the recruiting, followed by a potential improve in the company's reputation and strengthening the brand image. Moreover, the developed framework would allow the company to have a better perception of an ideal employee profile by creating meaning for the internal operations as well as analyzing the internal needs of the company and applying them during the recruiting processes.

RQ2: Which KPI metrics of the HR department are the most efficient for executing company's X strategy and processes?

Based on the researcher's work experience within a company during the research process, it was possible to identify which of the KPI metrics are the most essential for the company to follow to execute the strategic goals and implement the strategy of the organization.

The research findings on the KPI metrics were presented in the form of the balanced scorecard of the HR department of the company and could be later used for introducing sufficient employee development programs, measuring, estimating, and implementing cost-effective hires and employee retaining, increasing the level of employee satisfaction as well as developing the reward system.

In accordance with the balanced scorecard, the following KPIs are considered to be the most effective for the organization to reach its strategic objectives:

- Cost per Employee, Revenue per Employee (Financial dimension).
- Employee Satisfaction Index (Key stakeholder dimension).
- Job Posting Response, Quality of Hire, Attractiveness of the Employer (Product and Process dimension).
- Skills Enhancement, Number of Trainings Implemented, % of New Hires' Retentions (People, knowledge, culture dimension).

RQ3: How can the reward strategy in the company X be developed?

At the time of the start of the research, there was practically no reward system in the case organization. The research findings suggest a system for distributing the rewards between the employees based on the KPI management tracking.

The reward system developed includes two practical tasks based on the current organizational objectives, their strategic relevance, and the current effectiveness at work. Depending on the most essential factors affecting the KPI contribution, the reward is objectively distributed between those employees who enable organizational goal achievement and development as well as those who contribute most to the organizational processes.

The developed framework suggests reward management based on two of the main specializations of the company-maintenance cleaning and project works because both specializations require different work skills, contributions (such as individual or group work), and timings. What is common for both dimensions is client satisfaction with the result: a low level of complaints from the client in question and a high quality of service execution.

Integrating the system at work process would, moreover, allow the company to track the strategic development of the core objectives and would demonstrate which of the objectives require more attention or can be ignored completely as they would be found as irrelevant to the working process or strategic goals of the organization.

RQ4: Which additional trainings are most needed and essential for the company X?

During the research and work processes, the need for additional training has been identified due to the company's desire to extend its operations and move to new markets. Based on this, it has been identified that the additional trainings would be beneficial for implementing the objectives of the company.

The research suggests three development opportunities in terms of receiving additional certifications and conducting employee trainings, two of which have been implemented during the research as a part of work responsibilities. As such, several employees have conducted training for obtaining occupational safety cards, which was followed by receiving identification cards (Valtti cards). These additional certifications require an additional investment from the company's side, however, are set to be beneficial for enabling the transition to the new markets and boosting employee development within the enterprise.

Another training suggested in the research concerns an annual training conducted within an enterprise. The preliminary structure and argumentation towards the essence of such training were presented in the research. The suggested training is set to be beneficial due to the several reasons:

- Ensuring the mutual understanding of the processes and policies of the company
- Eliminating the lack of sufficient training at the beginning of the employment relationships
- Increasing the knowledge of the detergents used and the techniques of the service
- Increasing safety awareness due to the high usage of machinery
- Reinforcing the motivation among employees and enabling employee empowerment and career development.

9.3 Evaluation of the process and own learning

The research's general process has become more challenging than expected in the beginning, due to which the speed of implementation has been slow. The research has undergone several modifications in terms of the topic and research questions asked, which leads the author of this paper to the thought that the initial planning of the research had to be done more precisely.

Moreover, as mentioned in the research paper, the actual research implementation started with an empirical part, which eventually needed to be modified significantly since it lacked a theoretical background behind it. In the author's opinion, the research process could be speeded up by following a classical structure of the research: research planning, complete literature overview, and empirical part.

Communication during the research processes has been implemented well; the author has been actively participating in the workshops and executing a needed communication with the case company representatives due to their employment. Moreover, the author of the paper has been receiving timely feedback and guidance from the research supervisor.

While evaluating the theoretical framework of the research, the literature review could have been conducted more in-depth focusing on the SMEs instead of the general topic of HRM. It is possible to assume that consistent changes and modifications in the topic of the research and research questions have affected the literature focus of the research.

The empirical part of the research and research results are seen as beneficial for the case company by the thesis's author. First, the author believes the initial expectations of the MD were exceeded as more topics as stated in the beginning were covered and developed. Second, employment in the company allowed the author of the research to gain an in-depth understanding of the operations and operational gaps of the company, which enabled the development of the ideas presented in the thesis. These ideas, subsequently, are found valid and reliable for enabling the organizational goals-extension of the operations and growth of the whole company.

The concepts developed during the research are found beneficial for the case company and the research author. Participation in the workshops arranged with a facilitator who has extensive work experience in the sphere of HR has allowed the researcher to generate knowledge on the researched topic, examine various stages of the recruiting process as well as create a strong basis for the specialization.

The overall experience of the research process can be identified as challenging, engaging, and professionally instructive. During the work, it was not only possible to learn about the HRM in

SMEs, recruiting procedures, and employee development, but also allowed the research to pull out new sides of itself. It was the first author’s experience of participating in the professional and corporate workshops that were targeted at the practical solutions for the company. These events allowed the author to gain confidence in their knowledge of the industry and fight the insecurity of announcing their own thoughts without thinking that the ideas might be found useless or even stupid. The author has undergone major professional and personal development during the process of the research and would love to express a high thankfulness to the parties affecting this development: the managing director of the company X, the facilitator of the workshops, and the research supervisor.

The research author hopes the suggested development ideas will be useful for the company and will support the organization's development.

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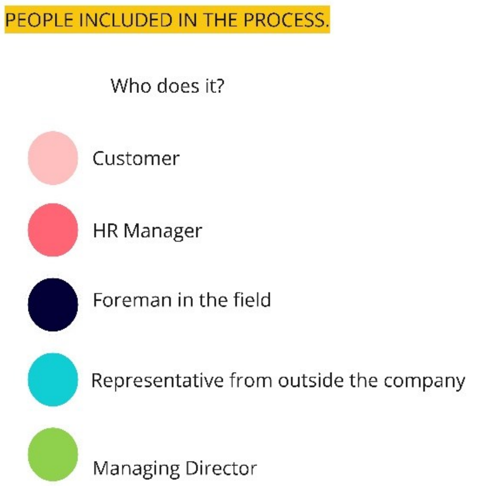
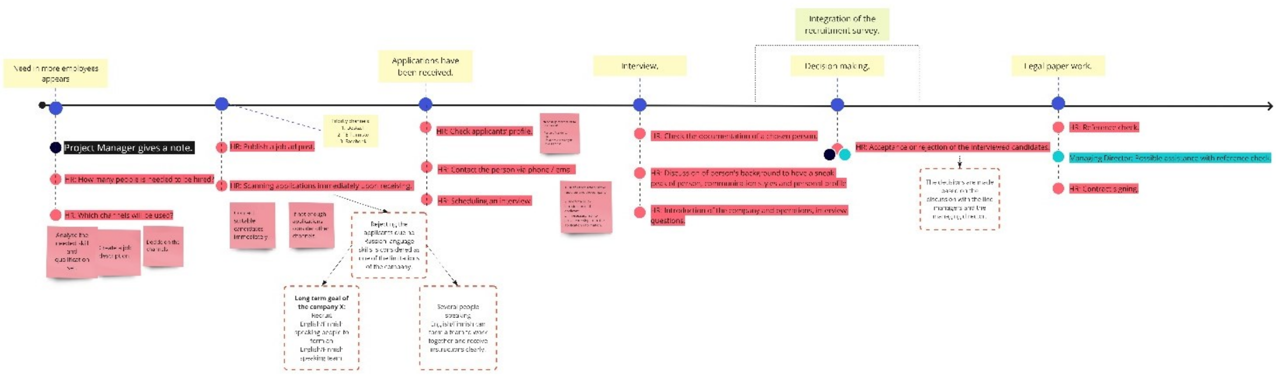
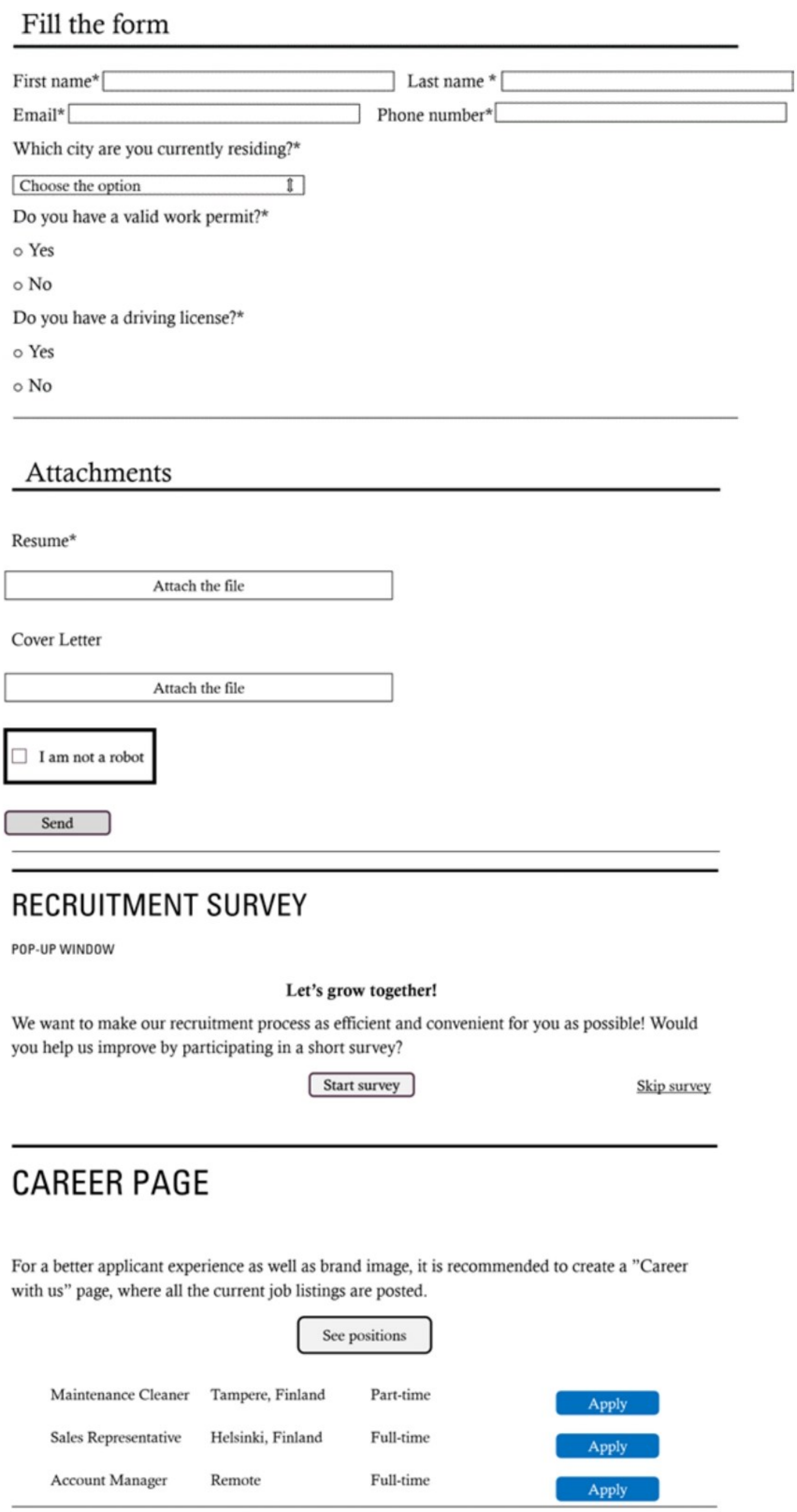
Appendices

Appendix 1. Recruiting process (Case: cleaning personnel)





Appendix 2. Recruiting webpage modifications



Appendix 3. Recruitment survey

1. At which stage of the recruiting process are you currently?*
    - The process is ongoing, but I do not yet know if I will be selected.
    - I have already started working.
    - I have not been selected for the position this time.
2. How convenient it was for you to submit the application? Rate on a scale from 0 to 10, where 0 is very inconvenient and 10 is very convenient.*

    0 10
3. We would appreciate your feedback on how to make the process smoother!
4. How satisfied are you with the clarity of information regarding the timetable of the recruiting process? Rate on a scale from 0 to 10, where 0 is very dissatisfied and 10 is very satisfied.*

    0 10
5. How quickly have you been contacted by the recruiter?*
    - Same day
    - Within the next few days
    - Within a week
    - I have not been contacted
6. How satisfied are you with the clarity of the job description? Rate on a scale from 0 to 10, where 0 is very dissatisfied and 10 is very satisfied.*

    0 10
7. Please describe how the conversation with the company representative went. You can, for example, answer the following questions: How friendly was the recruiter? Did he/she seem professional? Was the conversation easy to maintain?*
8. How did you hear about the position?*
    - TE-toimisto (Mol.fi)
    - Duunitori.fi
    - LinkedIn
    - Doska.fi
    - From a friend
    - Other: ______________________________

Appendix 4. Interview questions template

Work experience	Motivation	Personal	Teamwork	Management	Availability & Salary
Specify the highlight of your experiences	What motivates you to achieve a higher result?	What are your personal characteristics and qualities that help you succeed in your work?	Describe your attitude if you must work with someone exceptionally difficult.	Have you ever been in situations where you disagree with the management? Did you find a solution?	What is your salary estimation?
Greatest achievement in the career	Where do you get powers from to get up after a failure?	What are your strongest and weakest qualities outside of work?	In teamwork, which role do you prefer to take?	What kind of management style do you expect from your manager?	How quickly are you available?
How would your past work experiences determine your success in this position?	How can this job and position assist in the realization of career plans?	As a person, are you structured and well-organized, or rather chaotic?	Describe a case where you failed as a team. What do you think are the reasons?	How well do you take criticism?	What model of work would you prefer?
Example of the closed deal you are most proud of.	Example of a situation where you “overdid” yourself.	How can you cope with working with different types of personalities?	What about great teamwork?	How do you handle “no” as an answer?	Would you need to be provided with a PC and phone?
Which programs, tools, and channels do you work with?					

Appendix 5. Supportive template to the interview questions

Work experience	Motivation	Personal	Teamwork	Management	Availability & Salary
Proved 3-5 years of experience in sales (B-2-B) in a dynamic field, preferably in the cleaning sector.	Motivated by exploring new aspects of own work, enhancing the skills and knowledge through facing the challenges	General interest in other people and communications.	Initiative, leading, and following the lead depending on the situation; can analyze and "predict" when to push forward and when to hold back	Criticism is taken easily, without perceiving it personally.	Hybrid work model
Fluency in Finnish and English; Russian language is considered an advantage	A candidate is interested in challenges that help him/her growing	Possesses such qualities as open-mindedness and proactiveness	A candidate knows how to read the situation and adjust his/her behaviors to the situation in the sales environment	Can express disagreement with the higher management by providing sufficient argumentation	Availability as soon as possible, considering 2 weeks' termination notice
Fluency in Finnish and English; Russian language is considered an advantage	*Optional answer*	Both chaotic and organized types are accepted if the candidates know how to find ways to work effectively with the opposite type of personality	A candidate is tolerant, calm, and resistant to different personalities	Open to objective feedback, taking the opportunity to grow and develop	
Outstanding and convincing communication skills in a business environment			Can work both as a team (easy communication styles) as well as work independently		
Strong understanding of business and financial operations					
Familiarity with CRM system(s)					

Appendix 6. Second round of interviews for the position of sales representative. Case task

1. Define what are the target customer groups in the company X. Give examples of companies, specifying the sector of operations and its locations.
2. Find the decision-makers in 10 similar companies. Describe how would you contact them. Which channels and approaches are you using?
3. Briefly describe the strategy you are following to negotiate the deal and win the client. You can, for example, mention the following aspects:
   - Which data collection tools are you using?
   - How do you keep track of collected data?
   - How many emails, cold calls, calls of action, and follow-ups are done daily / weekly / monthly?
   - What is the structure of the email/call?

You are free to decide the format and tools you are using for completing the task and its language. Please submit your answers to email _ by 8 am at the latest on the day of the interview.

Appendix 7. Occupational safety training consent

После получения карты безопасности работник обязуется отработать минимальный срок до 31 Декабря 2023.

В случае увольнения работника по собственному желанию ранее согласованного с работодателем срока работодатель оставляет за собой право взимать оплату за обучение работника (124 евро).

After obtaining the occupational safety card, the employee agrees to work minimum until 31st December 2023.

In case of the contract termination at the employee’s own request earlier than the agreed with the employer date, the employer reserves the right to charge training fees from the employee (124 EUR).

Työturvallisuuskortin saatuaan työntekijä sitoutuu työskentelemään vähintään 31.12.2023 asti.

Mikäli työsopimus irtisanotaan työntekijän omasta pyynnöstä ennen työnantajan kanssa sovittava ajankohtaa, työnantaja pidättää oikeuden periä työntekijältä koulutusmaksuja (124 euroa).

Подпись работодателя / Employer signature / Työnantajan allekirjoitus: ____________________

Подпись работника / Employee signature / Työntekijän allekirjoitus: ________________________