



Induction and Training Manual for Employees

Case Bianco Footwear / Shoes for you Finland Oy

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<p>Sammandrag:</p> <p>Det här examensarbetet beställdes av Shoes for you Finland Oy, franchise-ägare till fyra Bianco Footwear skobutiker i Helsingfors och Esbo. Utbildning av personalen fungerar inte så bra som den kunde och därmed behövs ett nytt system för personalutbildningen. Det här examensarbetet utvärderar problemen i nuvarande utbildningsprocessen och försöker hitta lösningar för att uppgöra ett bättre fungerande personalutbildningsprogram. Forskningsfrågorna är: Vad är allmänna problemet i nuvarande personalutbildningsprocessen i Shoes for you Finland Oy? Hur kan personalutbildningsprocesserna och strategierna förbättras?</p> <p>Literatur inom knowledge management och human resource management, samt en kvalitativ undersökning i form av intervjuer används till att hitta svar och lösningar till forskningsproblemet. På basen av lösningarna och svaren från undersökningen och litteraturen, samt författarens egen kunskap om företaget och företagets interna HR-material skall en handbok sättas ihop. Handboken skall hjälpa i framtida personalutbildningsprocedurer i Bianco Footwear butiker ägda av Shoes for you Finland Oy.</p>	
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<p>Abstract:</p> <p>This thesis was commissioned by Shoes for you Finland Oy, franchisee for four Bianco Footwear shoe shops in Helsinki and Espoo, Finland. The induction procedure and training and development of employees do not function as well as they should and this thesis will attempt to evaluate the problem areas and find solutions. The research questions are:</p> <p>What is the general problem in the current knowledge management routines for induction processes and in training and development of Shoes for you Finland Oy's employees?</p> <p>How can the knowledge management strategies for induction and training and development processes be improved and standardised?</p> <p>Literature in knowledge management and human resource management and a qualitative research in the form of interviews is used to find answers and solutions to the research problem. Based on the research and the literature, on the author's own knowledge about the company and on internal HR-material, a manual will be assembled, which will be used as a tool in future inductions and trainings in Bianco Footwear shops owned by Shoes for you Finland.</p>	
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<p>Tiivistelmä:</p> <p>Tämän opinnäytetyön toimeksiantajana toimii Shoes for you Finland Oy, joka omistaa neljä Bianco Footwear kenkäkauppaa Helsingissä ja Espoossa. Uusien työntekijöiden perehdytys ja jatkokoulutus ei toimi tällä hetkellä niin hyvin kuin kuuluisi näissä neljässä myymälässä ja tämän opinnäytetyön tarkoitus on kartoittaa ongelmakohdat ja etsiä vastauksia ja ratkaisuja niihin. Tutkimuskysymykset ovat: Mikä on yleinen ongelma nykyisessä Shoes for you Finland Oy:n henkilökunnan perehdytys- ja koulutusprosessissa? Kuinka perehdytys- ja koulutusohjelmaa ja strategiaa voisi parantaa?</p> <p>Knowledge management ja human resource management kirjallisuuden ja haastattelujen muodossa tehtävän kvalitatiivisen tutkimuksen avulla yritän löytää vastauksia ja ratkaisuja tutkimusongelmaan. Kirjallisuuden, tutkimuksen ja yhtiön sisäisen HR-materiaalin sekä tekijän oman tietouden avulla yhtiöstä, kootaan opas. Opasta tullaan käyttämään apuna tulevissa perehdytys- ja koulutusprosesseissa Shoes for you Finland Oy:n omistamissa Bianco Footwear myymälöissä.</p>	
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CONTENTS

1	Introduction.....	7
1.1	Background	7
1.2	Aim of the thesis	8
1.3	Structure of the thesis	10
2	Company background.....	10
2.1	General information	10
2.1.1	<i>Franchising</i>	12
2.1.2	<i>Competition</i>	13
3	Theory	14
3.1	Knowledge management.....	14
3.2	Knowledge conversion	16
3.2.1	<i>Other human resource management and knowledge management methods</i>	18
3.2.2	<i>Induction method</i>	18
3.2.3	<i>Counselling method</i>	19
3.2.4	<i>Training and development</i>	19
3.3	Knowledge management in SMEs	20
4	Research process.....	21
4.1	Background and method	21
5	Results	23
5.1.1	<i>Importance of knowledge management in customer service</i>	24
5.1.2	<i>Results from the interviews</i>	25
5.1.3	<i>Building the manual</i>	26
6	Discussion and Conclusion	29

References	31
Appendices	33
<i>Appendix 1. Interview questions.....</i>	<i>33</i>
<i>Appendix 2. Summary of the manual</i>	<i>34</i>

1 INTRODUCTION

1.1 Background

Managing knowledge is essential in customer service and with properly trained staff the company can expect better customer feedback and more profits. Knowledge management is becoming increasingly trendy and companies are spending more effort and resources on improving their knowledge management strategies. (Torrington et al. 2008 p. 281)

This thesis will focus on a Bianco Footwear branch as a case study. Shoes For You Finland Oy is the owner of Bianco Footwear shops in Kamppi, Sello, Itäkeskus and Forum. Knowledge management in induction and training and development procedures within Shoes for you Finland Oy is not satisfactory, due to unstandardized and varying procedures and the situation needs an improvement. Giving norms and standards to the induction and training procedures should make training of employees easier, increase the level of knowledge within the company and improve customer service.

To be able to solve the problem and find standardised solutions, literature within knowledge management shall be reviewed and assessed. Human resource management strategies shall also be used to find solutions in improving induction and training procedures. Best suitable strategies in knowledge management and human resource management will then be included in this study. A qualitative research in the form of interviews will be conducted with the shop managers of the above mentioned shops to help identify the problem areas and possibly also to give ideas on how to improve and develop the problem areas.

Using the knowledge and data collected from the methods mentioned above, the goal is then to produce a manual, which will be used in the future induction and training processes for employees of Shoes for you Finland Oy.

Several studies have already been done on training of employees but only a few have been made about knowledge management. Milja Weckroth's thesis "Manual for the sec-

retary of Graduate School of Finance” discusses employee training using theories in internal marketing, communication and human resource management. (Weckroth 2006)

Susanna Lehtonen’s thesis “Perehdytysopas ulkomaalaisille työntekijöille, Case Work-Power Oy” discusses also training of employees but focuses more on cultural differences and law regulations in training of construction workers. (Lehtonen 2009).

Salojärvi *et al.*’s study of Knowledge Management in SME’s (Salojärvi 2005) has very useful and relevant information on how knowledge is managed in small companies and is good starting point also in this thesis.

Although the theses in employee training are interesting and well-made studies, and they both have produced a training manual as well, the information from them is not quite applicable to the problem Bianco Footwear faces in employee training. It is therefore necessary to conduct a study to cater to Bianco Footwear’s individual needs.

1.2 Aim of the thesis

In Bianco Footwear the shop managers are essentially responsible for induction and training of new employees. The managers also follow the performance of employees and take care of further education of the existing employees. The practices currently used are varying, depending on which shop manager is currently in charge of training an employee. Employee turnover can also be quite frequent at times. The fact that several people are involved in the induction process, the sometimes rapid employee turnover and the lack of guidelines on how to do the inductions all contribute to the need of a standardisation of the procedures.

In order to make induction and training as easy as possible, it would be useful to have a handbook or manual to guide through all training periods. A manual ensures also, that same information is given during each induction and training period.

The end result of this thesis is therefore to assemble and create a manual that will be used by the persons in charge of training, during induction and further employee development and evaluation. The manual should help in standardising all processes connected to induction and training and development of employees in Bianco Footwear.

Knowledge management is defined in many ways, but one definition according to Oxford English Dictionary is “the use of management techniques to optimise the acquisition, dissemination, retention, and use of information, esp. within an organisation.”

(Oxford English Dictionary 2011)

Managing knowledge and transferring knowledge is fundamental in all organisations, from small businesses to large multi-national companies. Transferring knowledge effectively ensures that useful knowledge continues to exist and when managed correctly, knowledge from many sources can evolve into new knowledge. Combining written instructions, as e.g. a manual or database with face-to-face knowledge sharing can be very effective, because when knowledge is written it is in a certain form and can always be accessed and verbal and physical sharing of knowledge enhances the written knowledge. (Mathew & Kavitha 2008 pp. 25-36)

Well performed knowledge management can be the key to growth and profit maximisation in any company or organisation (Salojärvi 2005). The theories and studies used in this thesis can therefore be made use of in other companies as well.

To be able to find answers and solutions to the problems Shoes for you Finland Oy faces in its knowledge management processes, the following research questions will be used:

- What is the general problem in the current knowledge management routines for induction processes and in training and development of Shoes for you Finland Oy’s employees?
- How can the knowledge management strategies for induction and training and development processes be improved and standardised?

In order to find answers to the research questions, the study seeks to find solutions from theories and articles written about knowledge management and human resource management strategies. To gain more knowledge about Bianco Footwear’s problem areas a qualitative research (in the form of interviews) was conducted with the persons in

charge of training and inducting of employees in the above mentioned Bianco Footwear branches.

1.3 Structure of the thesis

The thesis begins with an introduction and general information about Bianco Footwear and its situation in the market. After identifying the research problem, the study focuses on theories about Knowledge Management and Human Resource Management strategies. Knowledge management methods and strategies will also be included in this chapter. These theories and methods will be of guidance in creating the manual and an induction programme for the company.

In the following chapter, the research method and process is described.

Following the research process, results from the research conducted as well as ideas regarding the theories introduced earlier will be presented. Discussion about the case company and how knowledge should be managed is included in this chapter. The manual and how it is constructed is also described here.

In the conclusion, a discussion regarding the thesis and the manual will be included. At the end, the interview questions for the interviews with shop managers and a summary of the manual can be found as appendices.

2 COMPANY BACKGROUND

2.1 General information

Bianco Footwear was established in Kolding, Denmark in 1987 by René Piper Laursen. The company started off as a franchising concept and has since then become one of the most successful franchising companies in Northern Europe. Bianco Footwear has today over 170 shops in Europe and Middle East. Bianco Footwear has won numerous awards for its bold and fun advertisement campaigns and is known to be a company that makes people talk. (Bianco Footwear 2010a).

Bianco Footwear's mission, called *The Bianco Way*, includes five statements; *Beating yesterday, Living fashion, Edgy thinking, Being passionate and Having fun*. These missions represent everything Bianco Footwear is and strives for, and therefore they need to be visible in the everyday work in the shop as well. Ideas on how to live and execute *The Bianco Way* is discussed during internal workshops and staff meetings, and also in internal material such as databases and other literature.

Unfortunately, the mission statements don't always come across very clearly in employees working for Shoes for you Finland Oy, partly due to poor training and sharing of knowledge and also because of fast employee turnover.

This thesis focuses on a Bianco Footwear franchisee; Shoes for you Finland Oy. Shoes for you Finland Oy is the owner of Bianco Footwear shops in Kamppi, Forum, Itäkeskus and Sello.

All Bianco Footwear shops are expected to follow the same procedures regarding the outlook of the shops, of following *The Bianco Way* statements, having high standards in customer service and using and following of marketing campaigns. However, there can be some minor differences in how work is conducted between Bianco Footwear shops by other owners, for example in how they manage their employees.

Employee turnover is quite frequent in the four Bianco Footwear shops owned by Shoes for you Finland Oy and employee induction as well as training and developing is done several times a year. Methods and techniques used for inductions vary for almost every induction conducted. This happens because there aren't any straightforward guidelines or systems to follow during the induction period, and new employees are therefore taught differently every time. The whole induction and T&D system and method needs to be improved and standardised to be able to function more effectively.

2.1.1 Franchising

Franchising was founded in USA during the 1960's and McDonald's, Kentucky Fried Chicken and 7-Eleven are probably the most known franchising concepts to this day. Today there are different types of franchising concepts, but franchising in general means that a person with a successful business concept offers to others the right to use the concept in exchange for a fee. The franchise contract implies usually that the brand or business looks uniform and functions to given standards. (Axberg et al. 1999 pp. 17-21).

In Bianco Footwear's case it is implied that high standards regarding use of marketing material and outlook of the shops are kept, as well as in customer service and handling of claims. Bianco Footwear supports all franchisees with franchise packages. These packages include education on how to successfully run a Bianco Footwear store in addition to training and education in planning of the business and shop, marketing, management and purchasing. (Bianco Footwear 2010b)

The package is a very good way to kick-start the business, because it focuses very much on the start-up phase and on getting the business to work. However, the problem is that the package is used only in the beginning and is intended for the shop owners to help manage a business, not for employees or how to manage employees.

One of the most appealing sides to being a Bianco Footwear franchisee is, that the shop owners have the freedom to purchase what models and quantities they wish to have, from the Bianco Footwear collections. The key thing to remember is that although the shops have different owners, in a customer's eyes every shop is and should be the same. Therefore, it is extremely important for shop owners and employees to maintain standards set by Bianco Footwear.

To be able to maintain the standards expected from a Bianco Footwear franchisee, regarding e.g. use of marketing material and following of campaigns, keeping a high standard in customer service as well as handling possible claims in the same way as all other shops, all shop employees must have the knowledge of what the standards are and

how to keep them. An induction programme that is standardised and well-functioning, followed by training and development sessions, ensures that all employees get all the information they need to do their job.

2.1.2 Competition

Bianco Footwear sells affordable, accessible and fashionable shoes and accessories. The market is tough in this sector and Bianco Footwear has many competitors both globally and on the Finnish market. The biggest competitors in Finland are Vagabond, Din Sko, Nilsson, Mekka, Andiamo and K-Kenkä. Large hypermarkets such as Prisma and Citymarket are nowadays beginning to be considered as competitors as well. (Bianco Footwear 2008)

Bianco Footwear's goal to stand out from the crowd is to have trendy and affordable shoe collections and also to have exceptionally good customer service. Bianco University, Bianco Footwear's internal training programme, organises courses and workshops (e.g. *Being and Selling the Bianco Way*) in how to serve customers even better. The courses are held usually abroad and Shoes for you Finland Oy employees have seldom the opportunity to attend these courses. Shop managers attend courses and workshops occasionally and are responsible of reporting and teaching the rest of the staff of what they learned during the courses. It can sometimes be difficult to share the knowledge, but manual can be a good medium for knowledge sharing as the knowledge stays there unchanged.

A study on customer satisfaction was conducted in a Bianco Footwear shop in Jyväskylä in 2009. The results showed that, e.g. 70 % of the customers thought that the shop and employees support the company image and that most of the customers experienced getting good customer service. (Hänninen 2009 pp. 32-35)

Although the customer service and general knowledge of work tasks and standards is relatively good in general in the shops owned by Shoes for you Finland Oy, there are some specific areas that can be improved. To be able to keep the standards expected

from a Bianco Footwear franchisee (mentioned in the franchise section) and to give excellent customer service – both because Bianco Footwear demands it and to gain a good market position – Shoes for you Finland Oy must develop a functioning employee induction and training programme, to ensure that all employees have access to information and knowledge on above mentioned areas. The following theory chapter will attempt to find solutions to how to develop said induction and training programme.

3 THEORY

3.1 Knowledge management

Knowledge management (KM) has become increasingly more important, as the speed of change in companies has increased. There are many definitions to knowledge management, of which one is:

“[Knowledge management is] defined broadly and inclusively to cover a loosely connected set of ideas, tools and practices centring on the communication and exploitation of knowledge in organisations.” (Torrington et al. 2008 p. 283)

Oxford English Dictionary defines knowledge management as “the use of management techniques to optimise the acquisition, dissemination, retention, and use of information, esp. within an organisation.” (Oxford English Dictionary 2011)

Companies and organisations need innovations and new ideas continuously, to keep up with the changing market and knowledge must be transferred effectively between all employees. Knowledge management is, however, quite variously defined and can be rather ambiguous at times. How knowledge is managed depends on how one understands what knowledge really is. (Torrington et al. 2008, pp. 281-283)

Since competition is fierce in almost all markets nowadays, good knowledge management is considered to be of great competitive advantage. Literature and theories in KM usually focus on MNC’s as examples, but managing knowledge is equally important in small and medium sized enterprises (SMEs). (Torrington et al. 2008, p. 281-282)

The basic concept of knowledge management is that there are two types of knowledge – Explicit and Tacit. Most knowledge that people have is tacit. Tacit knowledge is highly personal and gained from various personal experiences through life. Because of this, tacit knowledge is very difficult to share with others. Insights, intuitions, hunches and personal experiences, are also classified as tacit knowledge. Explicit knowledge again, is formal and systematic. It can be expressed as, e.g. numbers or words and can very easily be shared with others. Explicit knowledge can be in the form of, e.g. scientific formulae, studies, reports or codified procedures. (Nonaka & Takeuchi 1995, pp. 8-9). Table 1 shows the difference between tacit and explicit knowledge.

Explicit knowledge can easily be computerised and stored in databases. To be able to do the same to tacit knowledge, it must first be converted to explicit. When an organisation uses the converted knowledge it becomes tacit again. Knowledge conversion is presented more extensively below. (Nonaka & Takeuchi 1995, pp. 8-9)

Table 1. Knowledge types (Torrington et al. 2008, p. 282)

Explicit Knowledge	Tacit Knowledge
<ul style="list-style-type: none"> • Referred to as “know what” or operational knowledge • Easy to explain and show to others • Consists of straight forward knowledge, such as price changes, new products. 	<ul style="list-style-type: none"> • Referred to as “know how” • Most knowledge is of this type • More difficult to explain and show • Consists of knowledge accumulated by years of practice.

As the table above shows, explicit knowledge or the “know what” is rather straight forward and easy to both understand and explain. Tacit knowledge, or “know how”, is more complex than that. As tacit knowledge consists of data gathered from years of personal experience in each individual, it is always unique from person to person. (Torrington et al. 2008, p. 282)

3.2 Knowledge conversion

Knowledge conversion is a means of managing knowledge. Interaction between tacit and explicit knowledge is called knowledge conversion and according to Nonaka and Takeuchi it is a “social process *between* individuals and not confined *within* an individual”. (Nonaka & Takeuchi 1995 p. 61)

According to Nonaka in 1991, the deep traditions in Western management concentrate mostly on formal, systematic and quantifiable data, i.e. managing explicit knowledge. Nonaka has done extensive studies on Japanese companies’ ways of managing knowledge, and has found methods of converting tacit and explicit knowledge. (Nonaka 1991)

Knowledge conversion is essentially interaction between tacit and explicit knowledge. Nonaka and Takeuchi’s model include four modes to converting knowledge:

1. Socialisation, i.e. tacit to tacit knowledge
2. Externalisation, i.e. tacit to explicit knowledge
3. Combination, i.e. explicit to explicit knowledge
4. Internalisation, i.e. explicit to tacit knowledge

Table 2 shows the four modes of knowledge conversion.

Table 2. Four modes of knowledge conversion (Nonaka & Takeuchi 1995 p. 62)

	Tacit knowledge	to	Explicit knowledge
Tacit knowledge <i>from</i>	Socialisation		Externalisation
Explicit knowledge	Internalisation		Combination

Nonaka and Takeuchi's method of using *socialisation* as a means of transferring tacit knowledge means that tacit knowledge is learned by observation, interacting, imitating and mentoring. Socialisation in itself is quite limited though, because while the apprentice learns the skills, the systematic knowledge of the craft behind the skills remains unknown. Explicit knowledge must therefore be transferred alongside the tacit knowledge. Explicit knowledge can be shared, e.g. through writing and reading of instructions or reports or finding information from a database. (Nonaka 1991 p. 165)

Externalisation is a process of converting tacit knowledge into explicit contents. When tacit knowledge is created into explicit it takes forms of metaphors, analogies, concepts, hypotheses or models. Images can be conceptualised through words, but expressions can often be left insufficient and inadequate. Out of the four knowledge conversion modes, externalisation is where most knowledge is *created*. (Nonaka & Takeuchi 1995, pp. 64-67)

Combination is about processing only explicit knowledge into knowledge systems. Individuals then share and combine their personal explicit knowledge through, e.g. reports, documents or conversations. These combined documents or study create therefore new knowledge. Formal education in schools, e.g. an MBA education, is a great example of combination. (Nonaka & Takeuchi 1995 p. 67)

Internalisation takes place after the three aforementioned modes and converts the explicit knowledge back into tacit. Internalisation can also be called "learning by doing" and it helps if the explicit knowledge created in the earlier modes is documented in e.g. manuals. Documents help people conceptualise what they have learned earlier, thus strengthening their tacit experience. Manuals or documents can in their turn enhance the transfer of explicit knowledge to other people. (Nonaka & Takeuchi 1995 p. 69)

Redman and Wilkinson suggest using the framework of Hansen *et al.*'s study from 1999 where employees are encouraged to focus their knowledge management activities on databases that are mostly IT-based. The employees should turn to the database whenever they need to look for information. Redman and Wilkinson also suggest that the employees turn to each other whenever tacit knowledge ("know how") needs sharing. (Redman & Wilkinson 2006 p. 411)

3.2.1 Other human resource management and knowledge management methods

There are many definitions of HRM. In 1995, Storey defined HRM as “a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an array of cultural, structural and personnel techniques” (Beardwell & Claydon 2007 p. 5)

Human resource management (HRM) methods can be used for knowledge management activities. Nonaka and Takeuchi’s method of knowledge conversion is one way to manage knowledge. Following HRM strategies can also be used for induction and training of employees.

3.2.2 Induction method

The induction method is used when transferring knowledge to new employees. Induction as a knowledge transfer method in the beginning of an employment is the best way of capturing and providing both tacit and explicit knowledge. The method helps with providing adequate and necessary knowledge about his/her working and the work environment to the newly employed. (Mathew & Kavitha 2008 pp. 32-33)

Induction of new employees is extremely important, not only to get the new employee ready to start working but also to make sure that the new employee feels comfortable in the new work place and environment. There are various ways to execute the induction process but the main task is to make the new employee feel comfortable in the new work environment while at the same time sharing knowledge about all new work procedures and tasks. The induction period can vary in length from a few days to many weeks, depending on how the individual absorbs the knowledge given. (Torrington et al. 2008 p. 203)

According to Dessler (2009), in the beginning of the induction period the employee is provided with basic background information about the company, such as the rules,

standards and values, and general knowledge about the employee's post. Induction programmes can either consist of several brief introductions to formal whole-day events. After a successful induction period the employee should have accomplished the following;

1. An understanding of the company's goals and visions.
2. Key facts about the policies and standards.
3. An understanding of what the company expects from the employee.
4. The employee should have the needed skills and resources to begin the process of becoming a part of the company's ways and routines.

(Dessler 2009 p. 160)

3.2.3 Counselling method

Counselling Method, as a method of induction, can give immediate results in both explicit and tacit knowledge transfer. The idea is that a senior employee is assigned to the new employee. During the process, the senior employee is expected to show and teach everything he/she knows about the organisation and work in question. The counselling method is can also be called mentoring process. (Mathew & Kavitha 2008 pp. 33-34)

3.2.4 Training and development

While the induction process is of great importance in the beginning of an employment, it is equally important to maintain a high level of training and development (T&D) throughout the employment in order to keep knowledge, skills and competence of the employees at a constant level.

By developing and training the personnel systematically, the company can make sure that the right persons are doing what they should. It also ensures that the personnel have the correct knowledge and skills in order to purposefully carry out the tasks required. In today's challenging and competitive atmosphere in the business world, having compe-

tent personnel can also play a great role in how well the company reaches its goals. (Hätönen 1998 p. 7).

According to Torrington, there are two sides to employee training and development. One side suggests that training improves the employee's commitment to the employer, which makes it more likely that the employee stays at the job. The other side suggests then that training of employees makes them more employable, therefore making the employees switch jobs more easily. (Torrington et al. 2008 p. 205)

3.3 Knowledge management in SMEs

As mentioned earlier, knowledge management activities are more usually pursued in SMEs, but a study by Salojärvi *et al.* in 2005 proves that SMEs do have knowledge management activities as well; they are simply rarely called "knowledge management". (Salojärvi et al. 2005 p.1)

Earlier studies show that SME's KM needs and challenges are actually quite similar to those of bigger companies. Applying knowledge management processes can sometimes really be easier in smaller companies because the environments are less formal, which means that transferring tacit knowledge is easier.

Other studies have proven also, that strategic learning and knowledge orientation results in growth in the long run. (Salojärvi et al. 2005 p. 2)

The results from Salojärvi *et al.*'s study show clearly that having knowledge management activities corresponds positively with growth. Those companies with balanced and strategic KM approaches seem to grow more than companies with less balanced approaches. 80% of the respondents claim to use employee development discussions as their primary KM approach. Customer and employee satisfaction surveys, along with competence mapping are also quite widely used. (Salojärvi et al. 2005 p. 6-12)

4 RESEARCH PROCESS

4.1 Background and method

The aim in this study is to find a solution to Bianco Footwear's problem with induction and training of employees. The idea to create a manual came from the problem of having information spread in too many different places. The frequent employee turnover means also that inductions are done often and there is a need for a manual.

Conducting the research for this thesis can be divided into three steps;

1. Author's own tacit knowledge on the case company and its current situation, supported by KM and HRM theories and literature presented previously.
2. Interviews with Bianco Footwear shop managers to support the author's own tacit knowledge and ideas.
3. The previous steps result in a manual used for induction and T&D processes in the case company's shops.

Most necessary information and knowledge of the induction process does exist, but is scattered in multiple places, such as different databases in each shop, the company's internal website and database and as tacit knowledge in each individual employee. After a proper look through Bianco Footwear's internal database, very useful material in HRM could be found, but it was only in Danish and therefore rather useless for the Finnish speaking employees and shop managers. The internal HRM material has now been translated to Finnish and is a part of the manual.

When conducting a study, there are many methods to choose from. The most common methods are quantitative and qualitative studies. Quantitative studies analyse and revise statistics, e.g. questionnaires, and qualitative studies are conducted using verbal analysing methods, e.g. interviews or focus groups. Qualitative studies are used more when there are fewer participants in the study. This is because qualitative studies are usually verbally conducted, which makes analysing the data more time consuming. Quantitative studies are used for e.g. questionnaires, where large quantities of written data is analysed. (Patel & Davidson 1994 pp. 10-12)

In order to have a better understanding about what exact areas need improving in the induction and T&D processes, a qualitative research in the form of interviews was conducted.

There are three shop managers in Shoes for you Finland Oy, of which one is the author of this thesis. Therefore there were only two persons to include in the research, so it felt more appropriate to do interviews than, for example, written questionnaires. It was assumed that interviews would give better insight to the research problem, than, for example, questionnaires, as the interviewer could ask more in-depth follow-up questions when needed.

The research problem in this study is to find the problem areas in the induction and training processes in Bianco Footwear and to find suitable solutions in order to improve them. The shop managers have the best knowledge to these questions, which is why they were chosen to be interviewed.

Two shop managers – the manager from the shop in Itäkeskus and the manager from the shop in Forum – were interviewed January 20th 2011. The interviews were conducted in the respective shops and lasted approximately an hour each. The interviews were recorded by taking notes and the persons were interviewed separately.

As the interviews were done to reflect the author's own ideas and feelings about the current situation in the induction and T&D processes, the interview questions were chosen to reflect and explore the thesis' research problem. The questions were both structured, i.e. both the question and answer is defined (e.g. "Do you think the induction of new employees is effective at the moment?") and semi-structured, where the concrete problem is defined but the answer is left open (e.g. "What is good about the induction procedure now?"). (Flick 2002 p. 75)

The questions were intended to help find solutions to the research questions, i.e. what the general problems are now and how they can be improved. The exact interview questions can be found in Appendix 1.

Ultimately, the knowledge needed to write a manual on induction and training and development to Bianco Footwear comes from many sources. Reviewing the company's

internal HRM material, knowledge and ideas gained from interviews, theories in knowledge management and the author's own tacit knowledge about the company have all contributed to making of the manual. When all data was gathered, it only remained to start assembling the manual.

5 RESULTS

According to Redman and Wilkinson (2006), it is quite difficult for a company to create a single, best suitable method and strategy of managing knowledge because the diversity of strategies is so vast. The company must therefore plot the needs and the range and type of HRM strategies used, to find the best suitable knowledge management strategy (e.g. use of databases). (Redman & Wilkinson 2006 p. 411)

Nonaka and Takeuchi's strategy of using four modes to converse knowledge seems quite ideal for Bianco Footwear, because large amounts of knowledge is transferred and conversed during induction or training and development of employees. Especially *socialisation* (where observation, interacting and mentoring are the key elements in transferring knowledge) plays a big part in the induction process, but also *externalisation* (sharing knowledge and images as metaphors or analogies), *combination* (exchanging knowledge through different medias or documents) and *internalisation* ("learning by doing", the end result of all modes).

In Bianco Footwear the induction process usually starts with brief meetings between the new employee and a shop manager or another old employee, during which general background information is given about the company and its values and visions. Very basic work related tasks are also shown during the first meetings. Torrington suggests that the introductions should be handled by different people (Torrington et al. 2008 p. 203) in order to get a wide-ranged idea about the organisation. This form of introduction is widely used in Bianco Footwear as well, although the outcome isn't always very successful due to differences in work practices between existing employees. This, though, may well be due to a lacking induction process of new employees that has continued for

years. There sometimes also seems to be an inconsistency between what is taught during the inductions and what the company policies require.

To be able to get both induction and training of new employees to function properly it is worthwhile to spend some time on training and developing the existing personnel. As long as the existing employees are applying their own methods at work, instead of what the company policy requires, the new employees will forget about what has been taught during the induction as they start mimicking their older colleagues.

5.1.1 Importance of knowledge management in customer service

Training in the field of customer service is considered very substantial for a company in order to maintain its competitiveness in the market. (Hätönen 1998 p. 75).

Excellent customer service is an important part of the Bianco Footwear company policy. The company's mission statements *Having fun* and *Being passionate* should be reflected in the customer service and in the general atmosphere in the shops. It is therefore very important that all employees are aware of the missions and also know how to convey them.

Bianco Footwear has a specific training and development programme called Bianco University, which organises training courses globally for all Bianco employees. All country offices are in charge of organising the attendance of their own countries' employees to these courses. Generally, there has been one Bianco University course a year.

Apart from Bianco University, the shops train and develop the employees constantly and especially when new information becomes available regarding, e.g. shop procedures. At Shoes for you Finland Oy a monthly employee meetings are held, where prevailing information is shared. When needed, specific training events are held also, during which employees might e.g. get a training session in shoe care-products or how to become a better sales person.

The knowledge needed for serving customers in the best possible way and for conducting everyday work in the shop in general can be classified as both tacit and explicit. However, it tends to be more on the tacit side. (Nonaka 1991 p. 164-165)

When Bianco University training workshops and other training events are held, only a few employees have the opportunity to attend. They then need to report back to the rest of the staff about their experiences on the workshops. Nonaka and Takeuchi's methods of *socialisation* (where tacit knowledge is transferred to tacit knowledge) and *externalisation* (where tacit knowledge is converted to new explicit knowledge) can be used in these situations brilliantly.

As mentioned earlier in chapter three, Torrington suggests that training of employees could make them more employable and therefore switching jobs more easily. (Torrington et al. 2008 p. 205)

However, the training given in Bianco Footwear is quite company specific, which means that the employee won't benefit much from the given training in another company. A well-trained and knowledgeable personnel is not only good for the business, it also motivates the employees and brings meaning to their work.

The results from Salojärvi *et al.*'s study give evidence also, that putting some effort into knowledge management even in small companies can result in positive growth of the company. (Salojärvi et al. 2005)

5.1.2 Results from the interviews

To be able to write a manual that would actually cater to all flaws and lacks in the current way of managing knowledge and of the induction and T&D procedures, it was extremely important to have interviews with the shop managers. Shop managers will, after all, serve as end users of the manual and therefore it is crucial to work closely with them so that the manual will be of the best possible benefit. Shop managers are also the persons in charge of induction and training.

The general consensus from the interviews with the shop managers was that the current induction process is not functioning properly and as effectively as it should and that the situation does need an improvement. Both agreed that standardising the procedures for the induction and training process would be the key to improving the induction of new employees in the future. There sometimes also seems to be an inconsistency between what is taught during the inductions and what the company policies require. This argument was confirmed during the interviews with shop managers and agreed upon, that everyone must follow same standards in company policies and teach them same.

Both shop managers admitted that, although the current induction procedure and training of employees is lacking, neither had immediately any solutions on how to improve the situation. The idea of having a clear manual to follow and a checklist to guide through the induction procedure got very much backing. Also mentoring and employee development discussions got support.

5.1.3 Building the Manual

The manual came together as the product of gathering information from knowledge management theories (such as Nonaka and Takeuchi's method of knowledge conversion), ideas and insights gained from interviews with the shop managers, reviewing Bianco Footwear's existing internal HR material and finally from the author's own tacit knowledge, gained from over five years of working for the company first as a sales person and later as a shop manager.

When considering Nonaka and Takeuchi's four modes in knowledge conversion and how it can be adapted to this case, the manual is essentially what ties together all modes. During *socialisation*, the person in charge of induction is sharing his/her tacit knowledge with the new employee but uses the manual as a guide to be able to remember to share everything. *Externalisation*, i.e. using metaphors or analogies, can be used when trying to explain a part of the job that can't be showed right then and there. However, the manual does not contribute to this mode very much.

During *combination*, knowledge is shared and exchanged using different media or documents. The manual in itself functions as a medium, but the new employee is also encouraged to start looking for knowledge on his/her own after the initial 2-week induction period is over. *Internalisation*, also known as “learning by doing” is what ties down all three modes. Essentially, this is where the new employee starts working individually and creating own tacit knowledge from the work. A mentor, already introduced in the socialisation mode will be present for some time as well.

The 2-week induction period follows Nonaka and Takeuchi’s four modes (1995), because during that period most of the knowledge is shared. What happens after that is that the employee starts working individually and the training continues along with everyday work tasks. A mentor is assigned for as long as it is needed, as both Mathew and Kavitha (2008) and Nonaka and Takeuchi (1995) suggest in their studies.

A new procedure that will also be introduced along with the manual is employee development discussion. They have been considered already before but Salojärvi *et al*’s study confirmed that development discussion can be very effective and therefore worth a try also in Bianco Footwear.

The manual is intended to be used by the shop managers or any other employee in charge of the induction of a new employee. The goal was to make a manual that would standardise and make the induction process easier.

Since the operating language in the Finnish Bianco Footwear shops is Finnish, it was found easiest to write the manual in Finnish instead of English. It is also more beneficial to have the manual in the language in which the induction is done.

To ensure that the manual will be followed and used in the future it should be constructed in a way that is easy to follow, understand and use. The following means were used to accomplish said demands:

- The manual is constructed in a chronological order, following the timetable of the induction process. This will hopefully help the user of the manual stick to a certain routine and not jump to other subjects too early.

- The outlook of the manual is made to look appealing, e.g. by inserting various campaign pictures by Bianco Footwear. This ensures that reading and using the manual is pleasant.
- Plenty of space for notes on each page. If and when many persons are involved in the induction process, everyone can write down notes and observations for others to see, of how the inductions process is progressing. It will probably help all persons involved stay more up to date. Also notes on how the manual can be improved can be added in the empty space.
- A schedule for each induction is included in the manual. The schedule is a blank form, which will be filled in the beginning of each individual induction process to meet the needs of every new employee.
- All important and necessary forms will be placed at the end of the manual and later on stored on all shop databases also. These forms include the employment contract, form for 2-month development discussion and 1-year development discussion. All forms will eventually be stored in the employee's personal document folder as well.

In order to get the induction and training procedures to follow the new guidelines presented in this study, the existing employees and especially the person in charge of induction and training must be trained and informed about the new procedures. It would be optimal to have someone in charge also of updating the manual whenever a change in procedures occurs and also to make sure that when old employees resign and new employees enter, that the level of knowledge stays the same.

Due to a request from Shoes for you Finland Oy, the actual manual is classified as confidential. However, a summary of the manual can be found in Appendix 2.

6 DISCUSSION AND CONCLUSION

“What is knowledge” has been a frequently asked question ever since the ancient Greeks and the answer to that is even today extremely difficult to answer. Knowledge management can sometimes be equally difficult to understand as a concept, because the definitions of knowledge and how to manage knowledge can be very vaguely defined. However, the subject has been extremely interesting to study and at times it has been very difficult to narrow it down.

The research problem was to identify the problems in the current induction process and training and development of employees in Shoes for you Finland Oy and to find methods to improve the processes. The interviews conducted with shop managers gave a good impression on what the problem areas are and how to tackle them and in the theoretical part especially Nonaka and Takeuchi’s (1995) method of knowledge conversion gave great ideas on how to develop the processes.

Theories in knowledge management and employee training can be quite vague and even contradictory at times, depending on how and from which point of view a study has been conducted. Some claim that employee training is useless because it makes employees more employable and makes them change companies more easily. (Torrington et al. 2008). Other studies claim then that more focus should be put on employee training, as it can increase growth and revenue in companies. (Hätönen 1998). Balancing these two sides has been quite challenging while writing this thesis.

I feel that this study quite successfully answered the research questions, i.e. “what is the general problem in the current knowledge management routines for induction processes and in training and development of Shoes for you Finland Oy’s employees? “How can the knowledge management strategies for induction and training and development processes be improved and standardised?” and came up with a working solution to the case company. The manual has not been put to test yet, so it remains still unknown whether the manual and reformed induction procedure actually works and if it makes any great difference to both the level of knowledge of employees and the possible effect on e.g.

customer service. The manual will be used during the forthcoming inductions and the effects of the new procedures can hopefully be seen in a few months' time.

It would have been interesting to do a survey on customer satisfaction both before renewing the induction and training process and afterwards. From those results could have been seen quite immediately if there is an improvement in the level of knowledge in the employees. It would be interesting to do a follow-up research on this study, nevertheless.

For the manual to be of most benefit, it is worthwhile to spend some time updating the data and procedures in it to correspond with the current procedures and e.g. company policies. Also if the shop managers or persons in charge of the inductions should change during the times to come, it would be highly recommended to give the new persons extensive training on how to do the inductions and to use the manual. Otherwise the continuum of the knowledge created will end very quickly.

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APPENDICES

Appendix 1. Interview questions

Questions regarding induction and training of employees

1. Do you think the induction of new employees is effective at the moment?
2. If not, why?
3. What areas of induction and training need improvement?
4. What is good about the existing induction process?
5. How should the induction and training be improved or developed?
6. What do you think of having a manual as a guide through the induction?
7. What do you think of introducing development discussions for the staff?
8. Other comments?

Appendix 2. Summary of the manual

Foreword

You are now holding the new induction manual. The purpose of the manual is to function as a manuscript and support for the person in charge of the induction during each induction process.

The person in charge of the induction in Bianco Footwear is usually the shop manager, but often employees who have been working for Bianco for a long time are involved in the induction and training processes. Because multiple persons can often be involved in the induction process, it is important to unify and standardise the procedure, so that each and every one are following the same pattern.

Using the manual

The manual should be stored on the shops computers' databases, so it can be accessed and modified easily. It is important to update the manual whenever a new procedure is introduced.

Stored with the manual can also be found all forms needed during the employment, e.g. employment contract and employee development discussion forms.

The induction process

In this part the whole procedure will be run through and explained.

Week 1

Includes information that should be taught to new employee regarding presentation of the company, shop and staff, employment contract, work hours and benefits, the shop and the storage, as well as selling and using the cash register.

These elements should be presented during the first week of the induction and be clear at the end of the week.

Week 2

Includes information that should be taught to new employee regarding returning and exchanging of goods, claims, loans, opening and closing the shop, visual merchandising and product knowledge.

After the second induction week, these elements should clear.

After a 2-week intensive induction process the new employee should have knowledge of most shop procedures and will be ready for independent work. A mentor will be assigned to help and share knowledge during the coming months though.

In the future

After 2-4 months from the beginning of the employment, a development discussion will take place. Future training and development needs will be determined during the discussion.

Once a year, all employees will have development discussions to follow up on each individual's performance and to determine the specific need for training and development.