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CHALLENGES OF MANAGING WORKFORCE

Posti Group Oyj

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ABSTRACT

The aim of this thesis project was to analyze the challenges of managing workforce and its minimizing techniques according to current changing trends in delivery department of Posti Group Oyj. The project was taken forward in co-ordination with supervisors where the qualitative method of research “Interview” was used to analyze the outcomes of questionnaire. The interview was conducted with three different supervisors. Communication and cultural challenge were mostly focused by them. Only relevant and applicable issues are selected by researcher for the empirical study analysis. As a result only realistic and applicable suggestions were made for further implementation.

The theoretical part was based on wide range of literature by different authors as Cascio, Dessler, Decenzo and Robbins, Peter Reilly and Tony Williams, Bogardus, and more. It begins with introduction and followed by defining HRM including its role in organizations from beginning to end. During the theoretical phase, the challenges are elaborated and highlighted as the main issue. The empirical part was based on Posti Group Oyj and related information and data are taken from the company’s website.

Lastly, on the basis of supervisor’s response the author was able to sum up the main agenda like communication, culture, and language as main challenges and came up with some solutions as rerouting, improving local language skills, interaction, and e-mail instead of call. Few recommendations that were mentioned by author which was considered as useful leads by managers for further implementation.

Key words
Challenges, current trends, hrm, motivation, training, recommendation, solution
CONCEPT DEFINITIONS

HRM- Human Resource Management
HR- Human Resource
HRD- Human Resource Department
PM- Performance Management
PDI- Power Distance Index
UAI- Uncertainty Avoidance Index
MNCs- Multi National Companies
R&D- Research and Development
PTL- Partial Truck Loads
FTL- Full Truck Loads
AEO- Authorized Economic Operator
ISO- International Organization for Standardization.
ABSTRACT

CONCEPT DEFINITIONS

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1 INTRODUCTION

Nowadays, managing workforce in efficient way and generating optimum performance from them at their level best has become very tough. In this tough context, there are several barriers and their solutions to proceed ahead. For example motivation is the tool that is very useful for leaders of any company to combat the failures by accelerating with excellent outcome and profitability. Therefore, it is very important to get familiar with challenging factors to plan ahead.

The purpose of this thesis is to highlight the level of current challenges to manage the employees in Posti Oy and explore the strategies in order to improve the future strategies in work environment. This thesis will allow to draw a clear path with the help of theoretical and research based data in order to maximize the employee’s output by minimizing the work challenges.

The issues of HR Management are emerging very rapidly at present. Many organizations are investing a lot for research to get better techniques of motivation as it is handled more critically then previous years. Earlier, managers assumed that the monetary reward was enough to motivate employees to excel but now the time has changes where money incentives are no longer the only factor of motivation. The other elements like better work environment, secure job, safety, career development, cultural behavior, and more that should be considered carefully to manage the motivation level.

Moreover, even though huge number of theories is emerging day by day the theories from past scientists and economists cannot be underestimated as they still cover the root idea. Maslow’s hierarchy of needs, Human resource Jump Start by Bogardus (2004), Managing HR by Cascio (2013), and a framework of Human Resource by Dessler (2009) are few literatures that are reviewed during the process including a journals How to motivate people. The e-book “Global HR: Challenges facing the function” by Peter Reilly and Tony Williams was used as major study part.

According to the aim, there are two main parts in the process. First one is about understanding the reason of challenge to manage the workforce and then it covers the current aspects of needs and solution with the analysis of the case company and lastly the analysis of strategies for future.
During the thesis process, the qualitative approach were utilized where survey through interview is the main leading. The survey was conducted non-electronically (Printed questionnaire asked to the supervisors). The company’s internal information about employee’s data and strategies was provided to the author by company’s supervisor for the further analysis.

There were many questions needed to be answered throughout the process. The main and most highlighted ones that was targeted in research are listed below.

- Are the employees of Posti their work well? If not, why?
- What are the current challenges in managing employees?
- Is there any cultural challenges while dealing with employees?
- What are the factors used to minimize those challenges?

The thesis carries five main sections where it begins with Introduction and followed by theoretical background, research methodology, empirical study, conclusion, and recommendation. The very first chapter introduction introduces the general idea of whole thesis and the main highlights as purpose of thesis, theoretical approach, research approach, research question, and framework are also included here.

Secondly, it comes theoretical background where the general concept of HRM, its’ purpose, different theories and strategies of managing challenges in contemporary moment are described on the basis of several textbooks and journals. Next it is followed by research methodology explaining research methods and the methods applied during the process to define the result.

Then the fourth position is captured by empirical study that introduces the case company and analysis of current status of motivation level. It also includes the research outcomes and its explanation for the implementation process. Moving on it comes conclusion and recommendations where the whole process is shortly concluded by the author summing up with possible recommendations for further implementations.
2 HRM

Human resource are the people who work for an organization and Human resource management (HRM) is the process of governing those work force by following the existing law and using different strategies in order to meet the output effectively. It is also known as the strategy to drive innovation and productivity through mobilizing the work force towards excellence.

According to Decenzo and Robbins (2012), “HRM is concerned with the people dimension” in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization is essential to achieve organizational objectives. This is true, regardless of the type of organization – government, business, education, health, or social action”.

Human resource management practice and policies includes conducting job analysis, planning labor needs and recruiting job candidates, selecting appropriate candidates, orienting and training new candidates, appraising performance, managing wages and salaries, providing incentives and benefits, communicating and developing current employees and building employee commitment (Dessler 2009). In order to maintain better work environment, the HR manager should concentrate on equal opportunity, employee health and safety treatment along with labor relations.

Human resource management is involved in anything related to the company's employees from the Chief Executive Officer to the worker on the production line including recruitment, selection, employment, and exit of employees from the organization (Bogardus 2004, 2).

Basically the HR manager’s responsibilities for effective human resource management are based on following headings.

- Placing the right person in the right job.
- Orientation to new employees in the organization.
- Training employees.
- Improving the job performance of each person.
- Gaining smooth work relationship.
- Interpreting the company’s policies.
- Controlling labor costs.
- Protecting employees’ health and safety conditions.
Due to some important changing trends like globalization, technological advances and outsourcing the human resource management functions in more innovative ways and no doubt by facing several critical challenges.

2.1 Role of HRM

The role of Human resource management highlights the main focusing areas which is deeply connected to build strong relationship between company and its employees. It formulates all the activities from the planning stage to final evaluation. The diagram below shows the different roles of HRM which is also known as external forces.

GRAPH 1. Role of HR Department (Adapted from Schmitz, A. 2012)

Staffing is one of the major role of human resource management as it includes the entire hiring process from posting a job to salary negotiation and exit process for any specific job. Staffing is usually based on work force planning of HR department that operates the process of formulating plans to fill the employer’s future openings. Development of staffing plan and policies, interview, selection and recruitment are some important moves of staffing process.
Setting an obligation to maintain the work environment is another important role of HRM. Every organization has their own policies designed with the involvement of high level experts to ensure the equality, continuity, and task completion on given time. Discipline policy, vacation policy, ethics policy, benefits policy and job completion on time policy are some examples of policies formulated by companies in general to achieve their goal.

Determining fair compensation and benefits according to industry’s standard is next valuable task of HRM department. Compensation includes anything the employees receive for the work done and it should also consider the education, year of experience and number of years with organization. Salary, health benefits, retirement plan, vacation time, sick leave, bonuses are some examples of compensation and benefits.

Retention reflects keeping and motivating employees to stay with the organization in the long run. Compensation plays a vital role in employee’s retention but other factors also cannot be ignored. Multicultural environment, better work environment, staff relationship are some issues to be considered by HR department to gain retention.

Training and development is most important aspect after hiring process. It is also a key component of employee’s motivation. The employees with feeling of development are happier that results higher productivity and retention.
Job skills training, communication training, team activities are some areas of training and development.

The legal environment of HRM is mostly changing year by year and it should be strictly followed to get better impression. Therefore the HR department should be aware of it and communicate to entire work community about the changes. Discrimination laws, health care requirements, minimum wage, safety laws are some notable laws of workplace.

Employee’s safety is highly prioritized in any organization nowadays. A lot of new laws are created currently to ensure the safety at work place. HR department should be aware of worker protection requirements and make sure the work place is meeting the requirements of both federal and union standards. Chemical hazards, safety of privacy, no smoking zones, heating and ventilation requirements are some examples of safety laws.
2.1.1 Workforce planning

Workforce planning is the process of formulating plans to fill the employer’s future openings, based on projecting open positions and deciding whether to fill these with inside or outside candidates. It therefore refers to planning to fill any or all of the firm’s future positions, from maintenance clerk to CEO (Dessler 2990, p.74). Nowadays employers emphasizes talent management during the process of identifying, recruiting, hiring and developing for high-potential employees.

The HR department should design specific plan and job analysis indicating how many and what kind of workers to hire by predicting the skills and competencies the employer expects. Job analysis is the process of determining the duties and characteristics of required people. One current issue ongoing through planning phase is to decide whether to fill projected openings with available employees by providing training and coaching to fill new tasks or to hire new faces by deciding appropriate recruiting resources. Personal needs, supply of inside candidates, and supply of external candidates should be forecasted very beforehand planning of new vacancies. Workforce plans parallel the plans for the business as a whole (Cascio 2013, 162). The workforce planning process is shown in the diagram below that is taken from the textbook Managing Human resources by Wayne F. Cascio, 9th edition.

![Workforce Planning Process Diagram](image-url)

FIGURE 1: Workforce Planning Process, (Adapted from Cascio 2013. 163)

2.1.2 Recruitment

The next step after planning is to establish an applicant pool which can be from internal or external sources. It is also called recruitment process, the form of business contest to identify, attract, and hire
the most qualified people. It provides an opportunity to be selective and begins by specifying human resource requirements which is the result from job analysis. There are three recruitment processes nowadays: internal recruitment, external recruitment, and e-recruitment.

Internal recruitment means filling open jobs with contemporary employees. In one hand it saves both short term and long term costs and employees retention will increase in other including protection of firm’s image by preventing the negligence about in house talent. Transfers to another department and promotions are some examples of internal recruitment. Succession plans, job posting, employee referrals, and temporary worker pools are some popular available channels for internal recruitment (Cascio 2013, 208).

External recruitment reflects the practice to meet the demands of new talents from different sources of labor market according to the growth of business. University relations, executive search firms, employment agencies, and recruitment advertising are some common sources of external resources (Cascio 2013, 212).

Following the current trends of online world, most firms recruit employees via internet too by using their websites. New sites are capitalizing on the popularity of social networking to provide recruiting assistance (Dessler 2009, 81). Link in.com, goglobal.com, and monster.fi are some popular websites used for e-recruitment.

### 2.1.3 Selection

Hiring employees who work directly for the organization has been the traditional way of getting work done in organizations, which can mean hiring full time or part time employee depending on how much work needs to be done (Bogardus 2004, 63). Selection of right employee is crucial to maintain performance and better job.

In this stage, the list of qualification needed is ready on the basis of job analysis. After the recruitment process there is piles of resumes to be analyzed and select the best option. Employment documents, screening interviews, pre-employment testing, in-depth interviews, candidate evaluation, background/reference checks, and applicant communications are some major components of an effective selecting process (Bogardus 2004, 68).
2.1.4 HR training and development

Generally, training means the methods used to give new or present employees the skills they need to perform their jobs after the selection is done for specific task. Training consists of planned programs designed to improve performance at the individual, group, or organizational levels (Cascio 2013). After screening and selecting the new employees, management turns to the task of orienting and training process. Employee orientation provides new employees with the basic background information about the company rules (Dessler 2009). It is also known as employer’s new employee socialization process. Several trends suggest that the time and money budgeted for training will increase during next decade.

Purpose

According to Dessler, a successful training should accomplish four things. Firstly, a new employee should feel welcome. Then he/she should understand the organization in broader sense as well as key facts such as policies and procedures. Then the employee should be clear about what the firm expects in term of work and behavior. And lastly, the person should begin the process of becoming socialized into the firm’s preferred ways of acting and doing things.

Furthermore, training and development programs to existing ones is beneficial to both the employees and organization in several ways as listed below.

- Training lead to greater innovation and tacit skills that are useful for effective performance.
- Training improves technical skills.
- Training improves strategic knowledge.
- Training helps to maintain consistency.
- Training improves self-efficiency and time management skills.
- Training enhance attitude and performance of team.
- Training is a key enabler of e-commerce.

According to Cascio, if training is ill conceived, poorly planned, or inadequately executed, then it is likely to be ineffective and waste of precious resources (time and money). There are four issues to consider for effective training practice.
• Top management should be committed to training and development.
• Training should be tied with business strategy and objectives.
• There should be commitment to invest the necessary resources to provide sufficient time and money for training.
• Organizational environment should afford opportunities to learn from success or failures of decisions.

Process and techniques

According to Blanchard and Thacker (2007) and American Management Association International (1993), there are five steps in the training and development process. Need analysis is the first one which identify the specific skills needed to improve performance and productivity and ensure that the program will be suited to the trainees’ specific level of education, experience, and skills along with setting the training objectives.

Instructional design comes next that compiles training objectives, methods, media, description, and sequence of content, examples, exercises and activities. It also make sure all materials, such as leaders’ guides and trainees workbooks complement each other, are written clearly and blend into a unified training program. Validation is third one which introduce and validate the training before a representative audience. It helps to base final revisions on pilot results to ensure program effectiveness.

Then the fourth process is called implementation where it focuses on presentation of knowledge and skills in addition to training content before the implementation of training program. Lastly it comes evaluation process where it evaluate trainees’ reactions, learning, behavior, and results.

After the determination of the employees’ training needs and setting training objectives, we can design, validate, and implement a training program. But before the implementation it is vital to choose the right technique for the specific purpose. On-the-job training, informal learning, apprenticeship training, vestibule training, computer based training, strategy and HR DVD-Based training are some examples of various techniques used by firm’s for training purpose.
2.1.5 Performance Management

Performance management is another important action supervised under HRM department. It is the evaluation process of an employee’s past to present performance according to the firm’s standard. With this the companies ensure that the employees are putting effort in the right direction to achieve the target. The supervisor should ensure that the employees know what is expected in order to have effective implementation by using the three key elements: goals, measures, and assessment. Also managing for maximum performance requires you do three things well: define performance, Facilitate performance, and encourage performance (Cascio 2013, 333-335).

FIGURE 2: Performance management (Adapted from Cascio 2013, 335).

One of the greatest obstacle to effective performance management is the fact that people usually want to avoid confrontations at all costs and one of the most common mistakes that supervisor make in PM process is tending to overlook minor mistakes and problems because they don’t want to risk a negative interaction with employees but in an effective PM process, supervisors are trained to provide instant feedback to employees for good work as well as for a work that needs improvement (Bogardus 2004, 199).
According to the book, The Practice of Management (1954), Peter Drucker described the SMART (Specific, Measurable, Action-oriented, Realistic, and Time-based) method for creating meaningful goals and objectives to accelerate the performance.

2.1.6 Employee exit procedure

As the world’s business trend is changing quite rapidly, the employees are unpredictable when they grab other options to fulfill his/her demands and so do organizations could replace someone smarter in compete the market. Therefore employee exit procedure is very crucial area of HR department.

According to Bogardus, there are few steps to be considered during employee exit procedure.

- When employee resign, it is important that they provide a written and signed resignation notice to their director.
- Decision should be made either to make a counteroffer to the employee.
- Decision should be made either employee should work through the given notice period.
- Notice of the employee’s last day should be given to the finance, facility, and IT department.
- Arrangements must be made with employee to repay the debt in case have unpaid liabilities to company.
- Arrangements must be made to return the properties like keys, cell phones and more belongs to the company.
- The most important step is exit interview.

2.2 Challenges in Managing HR

The world is getting smaller and smaller according to changing trends and the organizations are having resources very conveniently where HR is also one of them. But the process and criteria of handle HR from different background is not simple and the organization cannot move backward if they want to compete the existing market. In the managing process of those HR, the manager faces different types of challenges and in order to minimize he/she must have good leadership skills and enough knowledge about the minimizing process. As the companies nowadays are getting both opportunity and challenge of employing global workforce with various diversity, Posti Oy is very crystal clear example of it. In the
Posti, the employees are from all around the world with various culture and background that surely make the multicultural working environment, but no doubt it produces some challenges for management too which can be easily noted during working hours. Some most common challenges are elaborated ahead with related theories.

2.2.1 Multi-Generational Challenge

According to the article “A New Organizational Learning Model” (Josh Bersin 1st October 2007), we must realize that today’s corporations are not aging, they are becoming multi-generational. While the average age of the working population is going up, organizations are now going through a massive influx of young workforce. There are mainly four groups of generation working together with various characteristics and demand.

![The Multi-Generational Workforce](image)

FIGURE 3: The Multi-Generational Workforce (Adapted from Bersin, 2007)

As the work group are different as Millenials, Generation X, Boomers and Traditionalists are working together under same roof of the organization, company could experience the challenge of having different sets of values, expectations, and work styles in the work place.
According to the article “Contemporary Issues Faced by HR Managers Today” by Ruth Mayhew, each generation has its attributes to contribute in working world. Older workers of the traditionalist generation are a goldmine. They have years of experience and expertise that can draw upon for training others as new employees join the company. The analysis done in two articles mentioned above makes clear that, it is not an easy game for HR managers to manage multi-generational employees at a same time without using different tactics and skills that’s would cause a fruitful result.

### 2.2.2 Organizational culture

As it is said “It is absolutely necessary to understand a foreign culture in order to successfully do business with that culture (Montana & Charnov 2008)”. Having a broad view on the saying, understanding the other’s culture have heavy effect on managing work force in current multicultural business world. According to Schein 1985, “culture is the deeper level of basic assumptions and beliefs that are shared by members of an organization that operate unconsciously and define in basic ‘taken for granted’ fashion an organization’s view of itself and its environment”. Simplifying it, culture is the way we do the things around either in personal life or professional life.

There are many cultural analysis done by researchers as in the field of HR which can’t be underestimated and among them the cultural dimensions by Hofstede (Power distance, Individualism, Masculinity, Uncertainty avoidance, pragmatism and Indulgence) and seven dimensions of culture by Trompenaar’s is most commonly used for the analysis in the business world and the seven cultural dimensions by Trompenaar’s are explained accordingly.

### The seven dimensions by Trompenaar’s

This model was developed after spending 10 years researching the preferences and values of people in dozens of cultures around the world. As part of this, they sent questionnaires to more than 46,000 managers in 40 countries. This theory help us to explain as each culture has its own way of thinking, its own values and beliefs, and different preferences placed on a variety of different factors and New Zealand cannot be an exception.

- **Universalism versus Particularism**

This theory is also known as rules vs relationships. The Universalism occurs where people place a high importance on laws, rules, and obligations. They try to deal fairly with people based on these rules that
mean rules come before relationships. As opposite of Universalism, in Particularism people believe that each circumstances and each relationship dictates the rules they live by.

- **Individualism versus Communitarianism**

Here in individualism, people believe in personal freedom and achievement. It shows that you must make your own decisions and take care of you by yourself. Oppositely, Communitarianism reflects the belief in groups rather than individual. They argue that the group provides help and safety, in exchange for loyalty.

- **Specific Versus Diffuse**

In the case of specific theory, People keep work and personal lives separate. As a result, they believe that relationships don't have much of an impact on work objectives, and, although good relationships are important, they believe that people can work together without having a good relationship. But in the case of diffuse theory, People see an overlap between their work and personal life. They believe that good relationships are vital to meeting business objectives, and that their relationships with others will be the same, whether they are at work or meeting socially. People spend time outside work hours with colleagues and clients.

- **Neutral Versus Emotional**

The next comparison issues are Neutral and Emotional. The people with Neutral attitude make a great effort to control their emotions. Reason influences their actions far more than their feelings and they don't reveal what they're thinking or how they're feeling. Ahead, people with Emotional attitude want to find ways to express their emotions, even spontaneously, at work. In these cultures, it's welcome and accepted to show emotion.

- **Achievement versus ascription**

Moving on, we have Achievement an ascription where people with achievement category believe that you are what you do, and they base your worth accordingly. These cultures value performance, no matter who you are. Likewise, people with ascription culture believe that you should be valued for who you are. Power, title, and position matter in these cultures, and these roles define behavior.
Sequential time versus synchronous time

Well, people with sequential time culture like events to happen in order. They place a high value on punctuality, planning (and sticking to your plans), and staying on schedule. In this culture, "time is money," and people don't appreciate it when their schedule is thrown off. On the contrary, the people with synchronous time see the past, present, and future as interwoven periods. They often work on several projects at once, and view plans and commitments as flexible.

Internal direction versus outer direction

In internal reflects the way that people believe they have control over nature or their environment to gain their intended target which includes how they work with teams and within organizations. Whereas in outer direction, the belief is that they are controlled by the nature, or their environment for the performance of their task. At work or in relationships, they focus their actions on others, and they avoid conflict where possible. It is true that, those cultural characteristics have a valuable influence on organizational behavior, especially in the field of HR (Reilly & Williams 2012, 47). And it is not easy for managers to co-operate with multicultural group in effective way which could lead to the situation of cultural clash. However, the challenges can be lowered by setting clear business principle, adapting cultural flexibility as example ‘Do as Romans in Rome’, focusing on behaviors than beliefs, and utilizing both corporate and locally customized policies.

2.2.3 Diversity

Diversity can be found all around in every company which is recognized as vital element and it includes the issues like gender, ethnicity, sexual orientation, social class, religious belief and more. According to Reilly & Williams, HR practitioners are increasingly concerned to see diversity in thinking style, management style, personal beliefs, and working preferences. Mainly the reason of diversity in an organization is to collect talent under same roof but it is not easy as it sounds and the organization must face several challenges to manager the diverse workgroup. As the people have different needs, interest, personality, and learning habit, human resource management act as a leader to bring them all under same umbrella which other management won’t perform.
Lack of clear goal, case of women (Treatment with women varies according to culture), ethnocentricity, historical national prejudices (Finland-Russia), Discrimination, and racism, and societal values are some highlighted issues ongoing nowadays in companies as sort of challenges. According to the article Emerging Challenges in HRM: Workforce Diversity Volume 5, issue 1, cross cultural training, motivating professional, technical changes, training of Human Resource Information system, proper performance evaluation system, shifting HR strategy with changing economy, and encouraging openness are some ways to overcome the challenges of workforce diversity.

2.2.4 Motivation

The influential factor that lead us to do the things in order to achieve the organizational goal is known as work motivation. The organization with well-motivated employees can grow confidently in global market but currently as the business trends, life trends are changing rapidly motivating employees is one of the biggest challenges for managers to handle. Employees are happy or not, employees are cooperative or not, employees accept responsibility for their work or not, employees rarely off work or mostly, output
always high or low, quality high or low, tasks completed on time or delayed, and management is respected or not are some important checklist to analyze employee’s motivation. Motivation acts as a glue connecting individuals to organizational goals. In general motivation is connected with the need and followed by demands. As example, for the job less poor individual just a job with salary which could afford their living could be motivational but for those ones who already have basic needs fulfilled might demands something else. Maslow’s hierarchy of needs is most commonly used to analyze individual’s needs which illustrates the conception of people satisfying their needs in a specified order from bottom to top.

FIGURE 4: Maslow’s Hierarchy of Needs (Adapted from zeepedia.com, 2015)

Need identification, searching ways to satisfy needs, selecting goals, employee’s performance with consequences, and reassessment are some steps which should be considered during the phase of motivation process.
3 RESEARCH METHODOLOGY

Research is an academic activity undertaken by researchers who are not at all familiar with managerial culture and the nature of the problems faced by business managers (Ghauri & Gronhaug 2010, 10)). Research are organized for several reasons related to business world, scientific world and many more. And there are different methods of research which varies according to the field of study.

After the researcher complete the stage of observing and recording of what is seen without any prejudice, there are two ways of establishing what is true or false and to draw conclusions: induction and deduction. Induction is based on empirical evidence, while deduction is based on logic (Ghauri & Gronhaug 2010, 14). Before choosing any methods it is important to carry out general approach of developing task which will be supportive in further process. Generally research methods are divided into quantitative research and qualitative research.

3.1 Quantitative and Qualitative research

Quantitative research is more about collecting numerical data to explain a particular finding based on mathematical methods. It focus on measurements and amounts as more and less, larger and smaller, similar or different and so on. Quantitative research uses numbers and statistical methods. Careful sampling and strategies and experimental design are aspects of quantitative methods aimed to produce generalizable results (R. Murray 2003, 2). Telephone survey, correlational study, experiment, and quantitative content analysis are some examples of quantitative research.

Qualitative research method involve a researcher describing kinds of characteristics of people and events without comparing events in terms of measurements or amounts (R. Murray 2003, 1). Qualitative research uses variety of empirical materials, case studies, personal experiences, Interview, and life story including problematic moments. Chronicle, explanatory biography, ethnography and liberal-feminist study are some examples of qualitative research.
Particularly for this thesis, the qualitative research approach is used as the research is taken to supervisors in interview format and responses are on the basis of their experiences and is analyzed on the basis of study made during the process without any numerical and statistical data as the challenges faced can’t be measure by numerical data.

3.2 Reliability and Validity

Reliability and validity are very essential factors of research process as it is connected with the results and summary of the process. Reliability leads to the extent which the data collection technique will yield consistent result over while validity highlights how well the data collection method actually measure the purpose (Saunders, M. Lewis, P. & Thornhill, and A. 2003, 101).
Confirming the validity, the study was organized to gain the accurate outcome where the selected samples (Supervisors) are exactly matched for the findings of purpose. The thesis is focused to dig out challenges faced currently to manage the workforce in Posti Oy (papers delivery department) and the interview were taken from several supervisors about the related issue.

Moreover, to match reliability the research should concern about whether the measure will result in the same outcome on different occasions and whether similar observations are discovered by different researchers on different occasions (Saunders, M. Lewis, P. & Thornhill, and A. 2003, 101). In here the occasion has no role to have effect on outcome as the interview were taken in the same day and the questions were prepared in the way that all respondents can response on the basis of their own idea and experience.

The interviews were done with three supervisors managing almost 250 employees in Helsinki area. The responses from them seems to be sufficient as others have also the same task in same time due to same line of management.
4 EMPERICAL STUDY (POSTI GROUP OYJ)

Posti Group Oyj, is one of the biggest Finnish state owned company serving more than 200,000 customers with a long history of 400 years. The Head office is located in Helsinki with several branches in different countries, mainly focused in European region.

It is public Liability Company 100% owned by Finnish State and not traded company. Generally, it is known for postal services and logistic. Now it became as a leading growth company in Europe and it has expanded its operation in 10 different European countries and Russia.

In 1638, Governor-General Per Brahe established postal service in Finland while it was named ‘national postal company’. After having a well R&D, better investment as well as continuous improvement in customer satisfaction, company has reached to new point so that it has succeed to provide its services in different countries.

Gradually it has started its home delivery of letters and newspapers in 1858 then transport of air mail abroad is launched in 1923 and the first route was between Helsinki and Tallinn. Currently there are around 23,289 (2014) employees working around the world but more than 75% of worker is inside the Finland. It has a many service centers in 12 different countries which is directed by the head office, Helsinki, Finland. It is known to be multinational company with having many employees, having sales transaction in millions of Euros. According the report of 2014, company had a net sales Euro 1,858.7 million.

Currently operation of Posti has been divided into four different group which includes;

1. Postal Services.
2. Parcel and Logistics Service
3. Itella Russia
4. Opus Capita

In terms of responsibility, Posti makes sure that consumer goods and commodities are available in time, improving operational safety of each individual worker so that it provides safety program during a year. One of the mission is to provide premium mail services to everyone across the country in Finland. It has
been managing its operations responsibly, develop employees’ competencies, and offer career opportunities. Besides this it is focusing on improvement on electronic services.

Similarly, Posti is now very concerned about climate change for reducing emission. It mainly focuses on projects that are directly related to the operations. As the vehicles represent 80% of the total carbon-dioxide emission in the company so in addition to its goal is to increase the share of alternative vehicles to 40% of the delivery vehicles by 2020. Likewise, waste management, energy saving program has been organized. And follow the International standard laws and legislation regarding this issues.

The countries where Posti operates are Finland, Russia, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, and Germany.

4.1 Services

Posti has wide range of services globally. It serves customers in Finland, and in Russia and Baltic countries. It is the leader in warehousing in Russia and Posti in Finland with having full coverage in this region. It has network all over the Finland where more than 90 percent of businesses can be reached overnight. More than 320,000 businesses and 5.3 million people are covered by its delivery network every day. It has been possible to provide services through the transport and freight services, warehousing services, mail and marketing and ecommerce and financial accounting as well.

4.1.1 Transport and Freight

Transport and freight is one of the most important service provided by Posti Oy. It serves customers in Finland, Russia, and Baltic countries with partnership with Itella in logistics. The service network in Finland ranges from most southern point of country all the way to Lapland in the north and approx. 90 percent of business is reachable overnight. The company provides full range of services and solutions to fit every step of the logistics process either needed just-in-time or integration, traceability, and customization. Road freight, Air and sea freight, Rail freight, Customs and forwarding, Itella smartship, and Parcel services are some major areas covered by transport and freight services.
Posti is also known as a one-stop-shop for taking care of the transportation needs in Russia and Northern Europe. Groupage transport, Partial truck loads (PTL), Full truck loads (FTL), Hanging garment transport, project logistics, and Industry-specific cargo handling are the services included in Posti’s road freight.

Air and sea freight service in Posti serve customers by delivering the logistics on time and safely depending either is needed fast by air freight or the low cost of sea freight. Posti and its partner Itella offers air and sea freight service through 400 sincerely selected agencies covering entire globe. Posti also serve customers with rail freight services as where the road ends, rail continues.

Customs and forwarding is another service provided by Posti under transportation group. It follows the most common method which is called electronic clearance and also offers duty-free warehousing in Russia and Finland. Posti is legally licensed as an electronic customs clearance operator and also certified as Authorized Economic Operator (AEO). This service mainly include AREX-summary declaration, ELEX-electronic export declaration, ITU-electronic import declaration, NCTS-electronic customs transit, and INTRASTAT-foreign trade statistics.

And lastly Posti also offers the most extensive parcel delivery network in Finland with high quality service. The company is able to provide both domestic and international parcel services with several delivery options in fast, reliable and 100% eco-friendly way.

4.1.2 Warehousing services

Well managed warehousing services reduce costs and help to improve efficient supply chain. Posti and their warehouse is designed in the way to make easy and efficient professional services for all industries. There are 25 warehouses in Denmark, Sweden, and Norway for the customer’s logistics needs in Nordic countries. Overall warehousing services includes supplementary services (pre-sales preparation and after sales service), supply chain outsourcing and Russian expertise.
4.1.3 Mail and marketing services

Posti provides companies and organizations with delivery services for letters, direct mail, newspapers, and magazines in Finland and worldwide through the partners which enables companies to reach their customers efficiently. Direct marketing services, Letter services, Publications and customer services are the main criteria of mail and marketing services.

Direct marketing is the process of communicating with customers about a product or a service in physical way which does not includes advertisements placed on the internet, on television or over the radio. Catalogs, mailers, and fliers are some examples of direct marketing. Posti provides every things needed for a successful direct marketing campaign. Address lists, register services, materials, distribution, and the best online tool are major needed for direct marketing. Posti also have the service of international direct marketing with 400 million consumers in Europe and more than 300 million in the US.

Traditional letters are suitable for all contacts, marketing purposes, communication, and invoicing. Posti offers variety of services related to letters and all letters, publications, direct mails and parcels are delivered in an eco-friendly way without any extra fee in Finland. Posti also have international letter services categorized as economy letter, priority letter, and valuable items. Posti also delivers all types of publications including newspapers and magazines, town papers, customer magazines, leaflets, and bulletins in Finland in all households. The subscribers abroad can also get their magazines with international services or by using consignment service.

4.1.4 E-commerce services

Posti and its affiliate Itella are dynamic international logistics & fulfillment organizations with market focus and presence in the Nordics, Russia, and Baltics with long history and experience that enables to maintain a unique position in Logistics & ecommerce fulfillment services including parcel delivery, warehousing-contract logistics, sorting & distribution centers, information and marketing services. They offer both Cross Border and Onshore logistics and ecommerce fulfilment service models which enable a future seamless growth-path to the new Internationals.
4.1.5 Financial Accounting

The service of financial accounting is related to OpusCapita that sets the new standards through a customized combination of individual products and solutions which can even include complete outsourcing. The service area covered are purchase to pay process, order to cash process, finance & accounting outsourcing, document processing outsourcing and supply chain finance.

4.2 SWOT Analysis

Every existing organizations have some pros and cons where Posti Oy is not the exception. The general SWOT analysis of the company is listed below in TABLE 1;

<table>
<thead>
<tr>
<th>TABLE 1: SWOT Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strength</strong></td>
</tr>
<tr>
<td>➢ Long history in the market</td>
</tr>
<tr>
<td>➢ High market share</td>
</tr>
<tr>
<td>➢ Well committed staffs</td>
</tr>
<tr>
<td>➢ Readiness to adapt the changes</td>
</tr>
<tr>
<td>➢ Friendly working environment</td>
</tr>
<tr>
<td>➢ Winner of green office label</td>
</tr>
<tr>
<td>➢ Service in 10 countries</td>
</tr>
<tr>
<td>➢ Affiliated with Itella</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunity</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Government support</td>
<td>➢ External competition</td>
</tr>
<tr>
<td>➢ Large market share</td>
<td>➢ Technological advancement</td>
</tr>
<tr>
<td>➢ Manpower management(less hrm)</td>
<td>➢ Changing trends of customers</td>
</tr>
<tr>
<td>➢ Make it mu</td>
<td>➢ Expensive labour market</td>
</tr>
<tr>
<td>➢ Multicultural workplace</td>
<td>➢ Loosing customers</td>
</tr>
<tr>
<td>➢ Fuel utilization (price is down nowadays)</td>
<td></td>
</tr>
</tbody>
</table>
4.3 Development of responsibility issues

Corporate Responsibility is considered as one of the vital area where the employee can play his or her role in developing and implementing responsible practices. According to the Corporate Responsibility report of 2014, four key areas of Corporate Responsibility have been highlighted by Posti:

1. Social Responsibility
2. Financial Responsibility
3. People Responsibility
4. Environmental Responsibility

The year 2014 there was huge changes in operational activities by introducing new methods. Posti is a huge employer having thousands of employees from diverse backgrounds and are encouraged to engage in development of workplace safety issues and environmental considerations. As the mail and newspapers delivery is known as critical task especially in winters, the company highly emphasized in developing ways and methods to reduce occupational accidents and enhancement of occupational safety.
4.4 Environmental management issues

One of the key business units of Posti is mail communication, where letters and parcels in millions are moved every day in environment friendly way. Proper waste management is also considered as environmental management strategy where nowadays the issue of carbon emissions that is generated by these logistics activities which are harmful if they are not minimized and there is no any company who can claim doing responsible business without dealing with the issue of CO2 emissions.

Posti handles environmental issues actively by setting up defined targets and following key environmental management standards such as ISO 14001. The company aims to reduce its CO2 emissions by 30% till Year 2020 and improve energy efficiency by 20% till 2016. As part of ISO 14001 management system, the company raises awareness regarding environmental issues among its employees through different training programs. Posti also adapted the technique to aware the customers and employees about environmental issues through newsletters and other mediums. The list of key initiatives which are taken by the company in the field of environmental management are mentioned below.

1. Safety Cards
2. Training sessions
3. Internal Communication/Monthly Newsletter
4. iButton devices to monitor driving behavior
5. Waste Management

4.5 Challenges in managing Workforce (Posti)

Managing workforce efficiently is a great challenge nowadays faced by company’s HR manager where Posti is not an exception. Three supervisors were interviewed on the same issues of challenges in managing workforce in delivery department where two of them handle the employees of night delivery task and one handles the day delivery job and each of them have approximately 60-70 employees under their supervision. There are four major challenges currently faced by HR department in Posti.

Firstly the supervisors are facing communication challenges which occurs due to time difference between working hours of the employees and supervisors. The working hour for employees starts during night about 01 am till 06 am and for supervisor it starts at 08 am to 16 pm, meaning the supervisors assume that employees must be sleeping and is not a good idea to disturb by calling. In this case they
just send text message in case needed which is quite silent communication with risk of not being sure
either the employee read the message or not resulting missing workers in some area sometimes.

Then comes language barrier as the official language here is Finnish but most of the communication are
done in English due to different backgrounds of workers. As English is not a native language in both
side, the probability of misunderstanding increases while communicating by phone as face to face meet-
ing is very rare. Finns are very straight forward to say do and say something which can lead to negative
meaning due to own perception.

After considering language issue, it comes cultural challenges. Posti has employees from different for-
eign background acquiring different culture. In one hand, being multicultural is an asset to the company
but also the challenge in other. For example in Finnish culture meeting at 08 am means exactly at 08 am
but it can means few hour late in other cultures. The supervisors are usually confused about how to note
the behaviors from different culture at the same time and in order to combat this issue, they make sure
of equal treatment among each nationality.

Moving ahead, facing complaints on issues like bad experience while dealing with night supervisor, too
much hard work due to cold and challenging weather, less or inadequate salary and safety issues are
some critical challenge to handle with. In this case, they used to analyze the reality and act upon as soon
as possible to make the daily work smooth and keep the employees well motivated.

Misuse of sick leave benefits was also noted as challenge to determine either the employee is really sick
or just wanted to have some rest using the sick leave which offers them salary without doing work. They
also mentioned the continuity of sick absence several times in same month was very challenging, firstly
to manage urgent substitute and then to find the reality of his/her sickness.

4.6 Workforce development planning

“Workforce development is both a human resource development process and compilation of workplace
practices that educate, train, develop, and build the competences of employees. Nowadays, organizations
are confronted with an almost endless and unpredictable range of challenges that can threaten their very
existence, such as market competition, labor mobility, shifting trends in society regarding the signifi-
cance of work, exchange rates and the progressive reliance on technology in an information age”(Short
& Harris 2014, 8). Workforce development planning is an essential responsibility of HR department
which is regulated throughout whole year to shape the landscape of an organization according to current changes. As every organization has some sort of planning for the development and motivation of their employees and to maintain sustainability, growth, and diversity including building capability and capacity, Posti also have several planning and strategies to encourage the employees for better performance where supervisors are acting as mediator to update the issues to the employees.

Posti provides enough trainings to new entrants and more trainings to existed ones for further supporting purpose which helps the company to replace the substitutes and the employee to generate more income. According to the responds during interview, the supervisors are making plan twice a year, one in the beginning of summer and next in the beginning of winter. In that period they plan all the holidays for the employees and hires new substitutes to replace the positions until the employees are back. Here, providing holidays in requested time works as a motivational factor too.

Posti always keep the employee’s safety in first priority and to implement this strategy they organize compulsory safety trainings each year for every employees. This action helps to be aware and reduces work related accidents and also updates latest changes in legal systems. The supervisors are also visiting employees sometimes during tough hours that gives the feelings of caring and also planning techniques to maintain their salary level as it fluctuates a lot during year due to changes in demand.
5 RECOMMENDATIONS AND CONCLUSION

The recommendation section consist of several ideas from the researchers for further implementation. It is generally created after the analysis of findings based on related survey or project of any specific firm. The organizer uses the recommendations as a solution steps to get rid of several current problems as the contemporary negative issues, surveys, findings, and recommendations are closely connected to each other. Particularly in this section, firstly there are some useful recommendations for the managers in Posti to combat the current challenges and then it is followed by summing up the whole project as conclusion.

5.1 Recommendations

After having a clear vision of theory and analysis of interviews, there are some recommendation points which could be used to reduce the current challenges and improve the work situations in cost effective way. Contemporarily the demand for printed papers are not same as it used to be and the delivery areas could be re organized to save time and cost. The size of car needed to be changed which are very big nowadays and produces high emissions.

Posti should launch some interaction programs for employees which could be fruitful to get cultural observation to managers in practical than in theory. An an opportunity for career development and promotions could help in motivating as no one like stay in same level of task throughout the whole life. At least for now, they could promote the best employees with some gift hampers in order to motivate others to act in best way as we humans never want to give something until there is possibility to get.

Posti should try to change the car type in for general delivery as nowadays there are big transporters van which produces more emissions and consumes more fuel. Changing the big cars into smaller one saves cost and reduces accidents as the delivery work is mostly done during night and one should drive in very small streets and corners to get the letter boxes. More ahead, they could also provide some language learning tools for foreign employees through their website which could combat the communication issue in long run.
5.2 Conclusion

In order to achieve the expected return, the company should have well maintained HR system which allows to control and motivate the employees from beginning to end. As the role of HR defines the process from staffing to retirement including the benefits needs to be provided through whole journey should be improved according to changing trends of time.

Contemporarily the organizations are changing into multicultural zone with various diversity under same roof which has knock the door of HR managers as challenging factors. Therefore, the managers should be well prepared beforehand to improve the employee’s development by identifying the real needs and its solution. After the analysis of responses, few ideas like meeting sometimes, thanking for better performance, asking if any support needed and so on were recommended which is currently applied and it has improved the present employee’s relation compared to past.
REFERENCES


I. Managt Socio Human, Workforce diversity. Available at: https://www.academia.edu/5807567/EMERGING_CHALLENGES_IN_HRM_WORKFORCE_DIVERSITY. Accessed on 19th November.


APPENDICES

Interview questions to supervisors:

Personal Information:
Dear respondents,
This survey is a part of my bachelor’s thesis that will be submitted to Centria University of Applied Sciences, Kokkola. The purpose of the study explore factors that relate to the challenges in managing employees in delivery department at Posti Oy. The information received in the questionnaire will be treated confidentially.

Thank you for your contribution!
Rajendra Dhaunya

Please indicate with (X) to your answers.

1. Age group
   15-20…….  20-25…..  25-30……. 30+…….
2. Gender
   Male……  Female…..
3. Nationality
   Finnish……..  Other……..
4. Working area
   Management……..  R&D……..  Supporting……..
5. Marital status
   Single……..  Married……..
6. Educational background
   Vocational training……
   High school……..
   Graduate from college……
   Bachelor’s degree……
   Master’s degree……
   PHD…………..
7. Education completed from
   Domestic …..
   Abroad ………
   Both…………

8. How long you have been working for Posti Oy?
   Less than six months…….
   1 year…….
   2-3 years…..
   3-5 years…….
   5-10 years…….
   11-20 years…….
   21+ years……..

9. How often you have meetings with employees?
10. Do you think the employees are doing well in your area?
11. How often you communicate with your employees? Do you think it is important?
12. What are the current challenges you are facing to manage the employees?
13. Is there any cultural challenges with foreign employees?
14. How do you think the challenges could be minimized?
15. What are your current strategies to manage employees?
16. Have you ever offered holiday during main festival of employees as there are a lot from different culture?
17. How often you receive complaints from employees? What kind of?
18. How do you react/handle the complaints?