

EMPLOYEE RETENTION MANUALS FOR SMEs IN FINLAND

Case company S&R Duo



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ABSTRACT

This research is a result of the studies on the different tools and techniques used to retain the employees for the company. The aim of this research is to find some of the effective solutions and bring them into a proper structure that the Small and medium sized enterprises in Finland can implement their action plan. The framework of the employee retention manuals is designed for a proper implementation of action plan for reducing their employee turnover.

This is a qualitative case study research which is expected to be useful manuals for the SMEs and the case company, if there is an employee retention plan in their strategy. The information for the research has been collected by conducting an interview with the manager of the case company. Other related data were collected from the observation and professional experience.

Introduction has been decorated with the case company information, research questions and objectives along with methods. Theoretical framework of this thesis is a details explanation of understanding employee retentions which has been supported by defining human resource management. The heart of this research is described in theoretical framework. There is a framework which is a guideline for the case company S&R Duo and other SMEs in Finland, which is easy to adapt and implement for a successful retention plan.

The expected results from this research was the adaptability of the manuals in practical. The framework and the background action plan meets the expectation from this research. The potential users of this research are bound within the Small and Medium sized enterprises in Finland and the nature of the enterprise is human resources oriented.

Keywords Employee Retention, Human resource management (HRM), Strategic thinking, Reward management, action plan.

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1 INTRODUCTION

Entrepreneurship is so far, a challenge in its every step from the foundation to its development. Entrepreneurship transports the economy all over the globe. And SMEs are the most operative forms of Business all over the world. But there is a problem of having and retaining employees for the sufficient period if the enterprise exists in SMEs. This thesis is a media of making a bridge to the problem and solutions to overcome the challenges. It is known that, SMEs (Small and Medium sized enterprises) represent 99% of all business in EU (European Union). Most of them are formed privately (Europa, 2017). And Finland is one of the economically developed countries located in the Northern part of Europe which is carried out its economy by 0.4 million enterprises and 98.90% of them are SME's. SMEs are employing less than 50 people and 93.4% of them have less than 10 employees. The role of SMEs in the Finnish employment and in economy is quite significant. These enterprises generate about 50% of the combined turnover of all Finnish Businesses whereas more than 16% of SMEs are responsible for export revenues (Federation of Finnish Enterprises, 2017). According to Finnish statistical bureau published on 26th May 2016, there are 356000 unemployed people at the end of the year 2016 which is little bit less than 2015 but the number of unemployed people raised by around 2000 who were unemployed whole year (Statistics Finland, 2017). It means there is an issue in the enterprises whereas employee retention should be developed to keep going with an expectation of having reduction of unemployment rate.

The idea of this thesis is to bring some of the aspects that could be used as solutions to the employee retention in SMEs in Finland. The thesis has been planned to structure according to the demand of the contents. There is a case company which is adding some spices in the writing, and to get a better solution and a better picture of the whole country, there are some more participating small enterprises that can support the research.

1.1 Background of the case Company

S&R Duo is a franchisee company of Kotipizza and Rolls express burger chain located in Tampere. The main line of business is to sell the pizza and Burgers and both products are from the genuine Finnish renowned chain company Kotipizza and Rolls express. The company was formed in 2014 with a sole proprietorship in formation. The company started with one

chain sales outlet and at the present operating in two locations around Tampere with a turnover of 0.8 million and currently employing 10 employees. The company has a 10% growth in sales annually which is allowing the owner of the company to hire more people and suggest retaining the employees who are trained up in the field. The company is extending its operation by owning a new chain store in Tampere region this year at the end and the estimation of additional sales turnover is about a ½ million and estimating that 6 more employees to be hired to get the company run with its operation smoothly (Kandel, 2017).

The company's biggest challenge now of managing their employees and seeking some solutions to obtain skilful professionals who act loyal as well. According to the source, the line of business emphasis more on loyalty of the employees because it is so costly and a burden for the company in production management. It's a fast food chain that must have working human resources all the time during its opening times. Therefore, The Company has a clear objective of retaining their employees if the company run their operation. According to the information from the source, there is a certain kind of training needed to be working in the company and training period has been allocated about four months for the new comer and a month for those who have experience from similar kind of Job (Kandel, 2017).

1.2 Research questions and Objective

There are a lot smaller and medium sized companies in Finland that have the same intention of having professional working for longer time. The prime reasons for the employee retention become a challenge in Finland which are, the expensive workforces, equal salary payment methods, highly benefited workforces by the labour market with freedom of choice in workplaces and career development and a completely secured unemployment benefit from the government. People have better choices not to work rather being unemployed. KELA (Kansaneläkelaitos) which is an institution operated by the government of Finland and serving the employed people, low incoming individuals, students, pensioners of the country with different kind of service schemes such as study grant, housing allowances, pensions, rehabilitation, disability allowances under the certain rules and regulation. And all the benefits are secured to be allocated to the needy residents (Kansaneläkelaitos, 2017).

The aim of this thesis is to find some relevant and applicable solutions for retaining employees in Finland to specially the case company. Because employee retention is now days a hottest issue all over the globe (Creative HRM, 2017) and the case company and other cases related to this thesis is quite realistic in the current labour affairs in Finland. The ideas and the pick points brought to the writing might be useful and applicable to the similar

of case company and every kind of small and medium sized companies. The problems and questions referring to the topic raised from the real case in Finland and the expectations from the thesis outcome is quite high and valid to solve the problems.

The main and primary question of this research would be as follows:

- What are techniques and strategies for employee retention?

The primary research question demands some more issues to be studied on, therefore some of the following sub questions raised and needed to be investigating to find a logical answer to the main question of this research.

- What is the definition of employee retention?
- What is SMEs and how do they function in Finland?
- Why do employee retention important?
- What are the possible initiatives and actions needed to be taken in SMEs?
- How do the solutions help to retain employees?

The above questions lead to the objective of this thesis to be achieved:

- To find out some valid and affordable solutions to the problem
- To acquire basic knowledge that might help to achieve the goals of making employees loyal to the company.
- To depend on the firms' activities without any prior risk of losing talents from the company.

1.3 Research method

This thesis is following a qualitative case study method of research, which is concentrating on the cases and case company to collect data. There are several cases around but the main focuses on the study goes to the case company and similar kind of cases from other companies. Qualitative case study research method provides tools to the researchers to study complex phenomena within their contexts (Boxter & Jack, 2008).

Qualitative research is particularly relevant when prior insights about a phenomenon under scrutiny are modest, implying that qualitative research tends to be exploratory and flexible because of `unstructured` problems due to modest insights (Paivi & Anne, 2008). Qualitative research is more structured and standardized modes of collecting and analysing empirical data. This research method significantly helps to case study research which is more important and suitable in the real-life situation of different business cases. Real life case studies often help any business to

make better decision while considered the history of the case of the business. The reason for choosing the case study research is its ability to present complex and hard to grasp business issues in an accessible, vivid, personal and down-to-earth format. Business research case study is often practical and it can also be normative (Paivi & Anne, 2008).

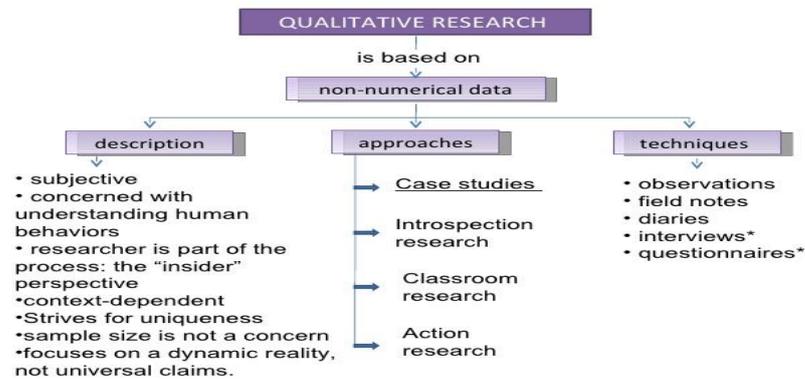


Figure 1 Qualitative Research and Case studies (Salle, 2009)

Case study research can be conducted into two ways: firstly, Intensive case Study research which aims at understanding a unique case from the inside by providing a thick, holistic and contextualized description on the other hand secondly an extensive case study research aims at elaboration, testing or generation or generalizable theoretical constructs by comparing many cases (Paivi & Anne, 2008) .

This thesis is conducted in both ways mentioned above. The case company is likely providing some of the authentic information that are completely related to the current phenomenon and some other cases are to be considered to get an overall picture of the problem.

1.4 Data collection methods

Data collection is a process of obtaining primary and secondary data and analysing then with a certain tool and finally use them according to the demand of the research. There are some methods usually used to obtain both primary and the secondary data. This thesis is containing a combined usage of both methods.

1.4.1 Interview

Interview is a most authentic and reliable source for collecting primary data. Findings from the interview can be used for making a solution to the research problem. Though it completely depends on the nature of the interview session. Interview should be designed according to the convenience of schedule with some mind set topics to get complete answer from the interviewee. There might be some interviews designed with stick questions and atmosphere is made of that concept (Kawulich, 2005).

The semi-structured and unstructured interview types are to be designed in this thesis. The reason is the issue and the problem of the research is not particularly strict not to go deep into the interview questioning. The Manager of the case company has been selected as a primary data provider of the problem. There has been other interview session taken places other than the case company with some unstructured way of questioning and the both interview has been designed and taken two times before starting the research and after adding some theoretical parts of the research. The reason for taking interview into two segments is to find some basics from the discussion beforehand and then after reviewing the theoretical part of the report, there are some more relevant questions raised in general those are used as constructive questions for supporting the thesis and its findings.

1.4.2 Observation

Observation is a lengthy process that has been used as a data collection method in this thesis as well. The reason behind the use of this method is to get some applicable and valid solutions from the thesis. The researcher himself is intending to find some active solutions from the thesis outcomes which means, it is worth to do a research by paying some extra efforts to make the data bank as rich as it should be able to provide necessary information as per the requirement.

DeWalt & De Walt (2002) believe that 'The goal for design research using participant observation as a method is to develop a holistic understanding of the phenomena under the study that is as objective and accurate as possible given the limitations of the method' (Kawulich, 2005).

The participant researcher has been observing the phenomena of the situation from employee selection to personnel management for couple of years. Observation result is exclusively used in this thesis as a primary and authentic, realistic data. This method helps to understand the use of certain techniques for employee retention. There are other participants observation data used in this thesis that has been compared with the data of case company's observation findings.

1.5 Key concepts of the thesis

This thesis is concentrating on a research problem and there are some key concepts has been emphasized as well to get a clear understanding from the writing.

Employee retention: The main concepts to be elaborated with the definition and its importance to the SMEs.

Techniques and Strategies for employee retention: Techniques and strategies brought down to the writing must be useful, affordable and applicable to the SMEs Particularly in Finland.

Analysis of the Data from the sources: It is expected that all the collected and necessary Data are required to be genuine. There is no misguide to the information and no clash with the findings of the research.

This thesis is expected to be simple and affordable useful tool for employee retention in SMEs. Therefore, the techniques and strategies will be used as a manual at the case company and in other SMEs as well.

2 BACKGROUND INFORMATION OF EMPLOYEE RETENTION IN SME

Employee retention is one of the most important managerial ability in any organization. Employees are the key to the company and there are some facts and expectation both parties have on each other, such as an employer wants the employees to be professional, loyal, hardworking, sincere, honest, and modest and so on, on the other hand an employee expects something from the employer such as good salary, job satisfaction and most importantly Job security. There is another issue beyond all of these that lead to lay off, resignation and job switching which is still unexplainable and uncontrollable as well. The idea of this thesis is to come up with some basic techniques and applicable strategies into a formation that can be useful onwards.

2.1 Understanding Employee retention

Employee retention is an issue in every organization now days. The large enterprises have their own Human resource department that take over the charge in obtaining talents and maintain a good employment environment in the organization. Employee retention is necessary in every kind of workplace whether the operating turnover is low comparatively. Talents or good employees are expected to be continuing their job career if

needed for the organization. The fact is, large enterprises have their expertise in obtaining and retaining people but there are millions of the SMEs on the globe especially in Northern part of Europe is completely dependent their SMEs for the sake of their large portion of economic development.

2.1.1 Definition

Employee retention is the overall strategy or ability of an organization to retain their best employees and hence maintain a lower turnover (MBAaskool, 2017). SMEs in Finland can achieve their employee retention goals by adopting various kind of programs.

The most important purpose of employee retention is to look for ways to prevent the capable workers from quitting the organization as this could have negative effect on productivity and profitability (UKessays, 2017).

SMEs are looking forward to the employee retention other than hiring more people. It costs much to the company for hiring a skilled worker but to retain a considerably good employee for long time. A time retained employees can contribute more than a new skilful talent.

2.1.2 Employee retention challenges and effects for SMSs

Employee retention is a big challenge for SMEs now days. Everyone runs after their career development. In the era of globalization, people are likely become more passionate about their like and dislike of work. Freedom of movement from country to country are making the Job seekers fearless and more motivated. One more noticeable thing is, many are organizations are advertising their job or recruitment program as they are trying to sell their products. An attraction for job circular towards the desired applicant is more visible than their products and services.

In short, small and medium sized enterprises are not able to secure job and pay more as per the large enterprises. But there is a different scenario in Finland. The payment of the salary is not much varied according to the size of the enterprises. The challenges in terms of employee retention in Finland has different faces.

KELA benefits effect: KELA (Kansaneläkelaitos) is an institution operated by Government of Finland which is ensuring some exclusive financial benefits to maintain the livelihood in Finland. This institution has many of the advantages for the inhabitants of Finland. They can assure the 100% of living standard by not to leave any permanent residents of Finland hungry (Kansaneläkelaitos, 2017). They ensure the social security of the residents.

Their most lucrative service is unemployment benefit, though there are some other packages under the highly benefitted ones. But the unemployment benefit package has a large impact on the job switching and resignation from the current Job. It is giving the employees much more security than the benefit from the job especially for the lower incoming industries such as Food and Beverages, Cleaning services and other related or sales service industries. The unemployment benefit package has become a big challenge for the SMEs to deal with employee retention.

Changes in living costs: In recent years, there have been some changes in living expenses. The cost basically rises which is forcing the employees to be more curious finding a better place for work such as, nearest to the residential area to avoid transport cost, to save working time, to find more secured workplace. According to the recent data published in statistics Finland, there have been changes in the commodity prices that are directly related to the living of the residents in Finland. Every change of commodity prices, transports and accommodation whether it is positive or negative have their impact on the living style, decision making, job continuation and habits (Statistics Finland, 2017).

Appendix table 2. Consumer Price Index 2015=100 by commodity groups, monthly and annual changes

Commodity group	2017		
	Weight	Monthly change (%)	Annual change (%)
0 CONSUMER PRICE INDEX	1000.0	0.3	0.7
01 FOOD AND NON-ALCOHOLIC BEVERAGES	131.1	0.8	-0.1
02 ALCOHOLIC BEVERAGES AND TOBACCO	47.1	0.0	2.8
03 CLOTHING AND FOOTWEAR	46.2	4.1	-2.9
04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	250.1	0.5	1.5
05 FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	53.6	0.3	-1.1
06 HEALTH	52.8	-0.1	1.6
07 TRANSPORT	134.1	-0.8	2.4
08 COMMUNICATION	24.8	-0.2	-1.3
09 RECREATION AND CULTURE	111.4	-0.4	-1.3
10 EDUCATION	4.3	0.0	1.6
11 RESTAURANTS AND HOTELS	69.9	0.3	2.3
12 MISCELLANEOUS GOODS AND SERVICES	74.6	-0.3	0.3

Source: Consumer Price Index, Statistics Finland

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Figure 2 Consumer price index by stat Finland 2017 (Statistics Finland, 2017)

Earnings freeze for years: Earning from different sectors have been almost stopped increasing which is a national Tension in Finland. Overall earners wages and salary rose by only 0.5 percent in the first quarter 2017 which is comparatively not satisfactory according to the increase in costs. This is a big challenge for the SMEs to have a control over it. People from the lower earning sector such as cleaning and household services, food and beverages are more heading are not satisfied with their earning by working as the income is quite low according to their labour in these sectors.



Figure 3 Wages and Salary earnings 2000-2017 (Statistics Finland, 2017)

Extreme freedom of choices of individuals: There is free choice of choosing career and the workplace in Finland for the residents that sometimes lead to the individuals not to be committed to an employer. This kind of situation is completely unavoidable and out of order for the organizations. The commitment towards a single workplace for at least a certain period is very much important for the enterprises. Commitment from the employees plays a vital role in terms of cost savings, increasing productivity and utilizing the resources of the company. There are a number of trade unions in Finland that provide their membership offers to the working people with some of the flexible benefits which is giving the individuals hope for being stressless at any kind of work.

Getting bored in a same Job: Getting bored in a same kind of job or same company is a psychological demand of the people which is a quite common phenomenon in every place on the globe. SMEs in Finland are probably panicking most for an employee retention plan to be successful. There is another troubling matter in Finland with the current and upcoming generation. The youngster is becoming careless regarding their career and the number of those youngsters are more which is stressing the state too. There will be thousands of vacancies in Finland in upcoming years due to the number of skilled workforces are one way to their retirement. And the tension is only a few percentage of those skills positions might get capable replacement. This is the most challenging situation for the small and medium-sized enterprises to cope up with it. Because, employee retention challenge is becoming tougher than usually it is.

Unrealistic demand or expectations from the employer: If we think about the deal between an employer and an employee then there is one thing common between both parties which is none other than a "expectation" from each other. Problem arises while unrealistic expectation is set up by

the employees that does not make any sense but disappointment from the employer. For instance, a employee might claim accommodation or housing allowance which is not even under the capacity of the company. Though it does not happen very often in Finland as the people are aware of their responsibilities and basic rules and regulations but this is an important consideration by the employer to deal with.

High taxation: Taxation in Finland is a biggest challenge for every kind of organizations operated under the Finnish law and order. Taxation does not necessarily but indirectly allow organization to be compromising about their expenditures including salary and wages. Being concerned about the skilled employees, it does not really happen to retain talents by paying more as salary or benefits. Because taxation is not only imposed rocking high on the organisations but also on the residents who have earning from Finland. For instance, a very skilled employee is paid 5000 euro as his/her gross salary which is around 28% but if he is paid 6000 then tax increases by 3%. The problem is employer cost such as TYEL (Työntekijä eläke) employment pension also increases. Therefore, the net payment is almost same for the employee which is earned on the other hand employer must pay some extras for increase of 1000 with the salary.

HR manager's roles and responsibilities are great in terms of employee retention. There are various kind of organizations around the globe with their specific or common HR policies and interestingly the main goal of the management is to manage people. The right things are always done in an organization while employees are found to be acting great as per their commitment. While the issue comes to Finnish working environment then there is experienced a bit different scenario. Leadership and supervision is not practiced widely in Finland if the allocation of tasks and responsibilities are quite specific to the people according to their capability and the power to make independent decision is given to each of the employees. Boss and subordinates have different kind of point of views which make them individually self-leaded towards their work and responsibility. As every organization strive to manage employees effectively, they face many challenges. But there are main four specific challenges that are necessarily faced by every organization (Schuler & Jackson, 2006, pp. 218-219).

Managing teams: In a study of U.S and Canadian companies, half the managers responding believed that improving teamwork processes to focus on customers is the strategic initiative with the greatest potential for ensuring their organizations' success. According to a survey conducted by the conference Board, innovation and on-time delivery were the two most common reasons for the increasing use of work teams (Schuler & Jackson, 2006, pp. 218-219). Being a part of a team or acting as a team has different dimension. The understanding the team work is a obey of maintaining supervision of the team leader on the other hand involving thyself in task being a team gives more effective results from the effort. It is known very well that a team can offer great potential to the organization and the truth

is an outcome from the teamwork is more effective than the results come from individuals perform in isolation. The main challenges in employee retention is to manage that team and getting them into a tract. Working as a team makes the things easier but it becomes more challenging in Finland. The people are choosier in their job, they are professional but they like to work alone. Working alone sometimes give us more pressure which is not explainable to the working people in Finland. They like freedom in work and personal life, therefore if the pressure is above the tolerance level they simply leave the job other than finding a solution. There are majority of organization and small businesses that have an issue of managing a team in their betterment.

2.1.3 Importance of employee retention in SMEs

Retaining productive individuals in the organization is one of the most important managerial job in SMEs. Employee retention refers to the techniques employed by the management to help the employees to stay in the organization for the maximum period and pay their efforts until the organizations about to reach their goals. Human nature is to make a switch to a new place to work after being trained up. But it has a huge impact on the management expenditures. High rate of employee turnover causes a huge damage in the sales turnover which is a payable debt to the organizations. There are certain managerial decisions that are entirely dependent on the personnel which become a weak point of the organizations and finally take the responsibilities to retain those people who are involved in the specific project.

Cost effective: High employee turnover rate leaves the employer in trouble for the long run business operation. It is assumed that the turnover cost can cut off 50-60% of the company profits of employer's salary. It is therefore required to let the individuals contribute for the organizations. Time investment is another big issue which is also valued in cost. The individuals are not supposed to make the management boneless before it proceeds to the next step towards achieving their goals. Longer time employed individuals can make an effective team than the fresher if group understanding matters. The cost minimization is all about the employee retention (Scott, 2017).

Maintain performance and productivity: Employee retention program or practice helps their employees to perform best and increase the productivity of the organizations. An unfilled position of the individual cannot be replaced immediately while it takes time to get the job done by the replacement. An organization needs to maintain their productivity performances each time it fluctuates the reasons are to be monitored and necessity step taken place. On the other hand, if the reasons behind the productivity abnormal behaviour lies under employee turnover then it is must to stop and reduce employees to get them into the manageable level.

Productivity must go on with the smooth operating performances and not hoped to be interrupted during the pick time of productivity rises (Scott, 2017).

Enhances recruitment: It is most important to show the potentiality of the applicants with the corporate values for career development plan. There should be a worthy recruitment process that might highlight mostly job security and career development opportunities for the employees. Every individual has a clear view on the recruitment from the employer, to have a long-term job security at the same time a recruiter must observe whether the hired individual is capable to work if expected. Recruitment system must follow the criteria that meets the requirement of Human resources department or a company policy of recruitment (Scott, 2017).

Increases morale: There is a situation in some organizations whereas an employee feels proud to be a part of the organization. This kind of atmosphere in working place increase the values of the company. Pride of the employees for a job or organization helps the management to enhance their recruitment qualities. The more people are attracted for the sake of proudness of the existing individuals. For example, Google becomes the most attractive working place in the world which is a huge success for the company to retain talents for the company. The reference reacts and helps others to be concerned about a company (Scott, 2017).

Hiring is not easy process: Most of the time, every organization experiences difficulties in hiring the people. It is very time consuming to run after the talents an organization looks for. There is also a difficulty in skimming the perfect candidate out of huge numbers which is a most common phenomenon almost every organization face. Therefore, in most of the European countries, outsourcing is a most convenient way to hire people especially for the outranged technical or specialized job. Hiring frequently new people is not a good idea for the SMEs other than retaining the existing individuals for the longer period (MSG article, 2017).

Adaptation of company culture and policies: A company invests time and money for grooming the individual and make them ready to work and adapt the corporate culture and system. It is obviously a loss for the company in case the individual leaves the company suddenly. It is total wastage of the resources used for the individual skills grooming up. The worst scenario is seen in the project work which is mostly important to get done in time with the limited resources. Additionally, when some individual leaves after adapting rules, regulations and cultures then it becomes an external risk for the company of information leaks out to the competitors in some circumstances (MSG article, 2017).

Revealing secret information: When an employee resigns from the existing job, it is more likely that the persons join somewhere could be a major competitor. The worst thing in this case is to get the important company

information revealed at some point. Therefore, it is more important than retaining is to make the applicant to sign confidential contract that contains strict rules and regulations of revealing information or transfers secret information of the company (MSG article, 2017).

Effective team building: Team work is a way of getting difficulties in work into a shape of easiness. The thing must ensure is to make the team effective and more productive in right time. The people who are basically longer in any organization are built up with most effective team. The core fact behind an active is to get experience people and a good understanding among the participants which come from the long-time interaction between each other. A trust is build up automatically among the individuals working together at the same atmosphere (MSG article, 2017).

Increasing loyalty: Loyalty is an asset for the organization which is important to have from the customers and the employees at the same time towards the organization and their management. Loyalty is not built up certainly or quickly, it takes time that can be longer than expected but the thing is once loyalty raised up, it pays back to the organization. Retaining employees is the most convenient ways to building loyalties among the employees. An organization cannot expect loyalty from the new comer at any cost which is giving us clear conception of retaining employees and it is obvious that a loyal employee is sometimes better than talented betrayal (MSG article, 2017).

Increases references: Reference from the personnel of an organization does not only attract talents but increase organizational values, customers also. Making the existing employees happy and make them feel proud towards the job is an advantage for the company. Productivity automatically increases if the individuals find their satisfaction from the job. A great source of talents come from the references, a great productivity comes from the references, a great reference comes from the Job satisfaction and a satisfaction comes from the management assurance for the great working environment and a satisfactory atmosphere (MSG article, 2017).

2.1.4 Analysis the reasons behind employee turnover

There are number of reasons behind the employee turnover. No one have any prediction what might happen but there are some ways to make a slight control over the turnover. The management must be responsible to make an analysis on the reasons and the analytical result can warn the organizations either to be aware of the reasons or resolve the problem. The employees are the most human who are having the most power to think of anything. They can make decision on anything. Resignation from a

job can be decision might have been derived by personal issues or others. The key persons are fully responsible to have a look and analysis the issues of turnover.

Analysis 1: Misbehaviour hurts human in every time it's faced. Working environment and the relation among the employees and the managers should be as friendly as it should be. Back biting, over gossiping, rude behaving with colleagues can ruin the working environment and the productivity comes down to the lower level. It is commonly observed in many workplaces having this kind of problems and these are not supposed to be the good sign for the organizations. There should be a strict regulation to be most friendly and cooperative with the colleagues. Sometimes an extreme level of rudeness witnessed from the managers or colleagues that can be the reason of dissatisfaction for the employees and be the reason for quitting the job right away. Monitoring these kinds of issues can be a solution for not letting anyone leave the organization only for this reason (Smith, 2009).

Analysis 2: Imbalance in life and work is the modern life issue all over the globe. The organizations are working hard day night for their cost minimum strategies. The result of cost reduction sometimes gets the work done by insufficient workforces, for example, one is expected to finish a job alone which is usually done by two employees. Another outcome experienced that the same number of employees are forced to do overtime, weekend shift, long day shift. These are the intolerable facts for the youngster who are then going after evaluating their life. And the fact is, trouble of imbalance in life and work arises that leads the employees to leave the job. As an efficient manager, it is mandatory to have a look on the schedule whether they are making any inconvenience in anyone's life. The employees should have their own time for themselves and their family at the same time organizations should be concerned about their scheduling of shifts (Smith, 2009).

Analysis 3: Expectations from the job is fundamentals issues for the employees. They face the interview and make sketch of everything that have been promised during interview. They make a clear thought of having the things in exactly however approached before the employees. They employees decide of executing job and balance their own lives in an accordance with the job described before joining. The worst-case scenario in this case which is experienced most of the time, is to find the employees dissatisfied with their job. Most of the people do not want to wait for some changes that might happen in future, rather quitting the job without any hesitation. There are some people who think differently and wait for the time to get their satisfaction back and also some directly involves in making the things better for themselves turning into own favour (Smith, 2009).

Analysis 4: Misalignment means a non-suited prescribed medicine for the disease. There is an issue while management hires some people who are

from different background and not fit for the job they are hired for. Sometimes, training does not even help to make them fit for the job which is a total waste of money, time and resources. Misalignment force the employees walk away before they perform at their job. The good idea is to describe the job clearly while recruiting the individuals and make a clear-cut statement of the demand of the job before the individuals. Though there is a situation often occurred that the individuals do agree with the job description instead of not having prior experience or education from the field to grab the job. A portfolio from the individuals can be helpful solution for the management to decide on intake or outtake (Smith, 2009).

Analysis 5: Undervalue or under recognition can push the employees to quit. In many cases, employees would like to be marked, highlighted and recognized for their performance. Though it's not that easy job for the manager to do so but there is a way of establishing diplomatic communication with the high performer to make them realized that they are on the consideration. Recognition from the job is an important valuation for the employees, it helps to gather more motivation and raise mental strengths to perform better. The employees who prefer being rewarded, recognized are the most passionate people who can pay even more efforts to grab the eyes of managers on them, otherwise simply walk out to the searching for new place (Smith, 2009).

Analysis 6: Coaching and feedback can be the reason for step out from the job. The reason, managers are expected to keep their eyes on everyone's performance and give them necessary lessons for the betterment, putting feedback is a smart idea at the same time. It helps the employees to make their own evaluation and perform accordingly. The mistakes done by the managers or employer is not to give any priority on these issues and the result comes negative. The career oriented people lose their hopes being evaluated properly and decide to quit the job. Ignorance from the management make the employees realize that they are just working for the organization in return of salary but their talents have no future (Smith, 2009).

Analysis 7: Empowerment is an expectation of employees from the organizations. Individuals would like to make their own decision at the work with full freedom and power. The employees with high attitude have the tendency of making their job-related decision alone. This can be possibly an assigned power of independent decision making on behalf of the managers or in any critical circumstances. Many employees are found resigned from the job due to the issue of not getting empowered on the job. Analysis says, the expectation and the attitude are the reasons of taking quit decision (Smith, 2009).

Analysis 8: Inadequate skills of the key people of the organization may push the employees out of range. The leaders are not born they are made as the skills is not acquired by default, there are some steps of developing

skills among the targeted people. The fact is, good skills come from the good leadership. The conflict begins while potential people do not get the opportunities to boost up their skills and know how due to the inadequate knowledge of the managers or leaders (Smith, 2009).

Analysis 9: Organizational instability is one of the key reasons found in analysis. In many cases found that there are thousands of dysfunctional organizations that have no control over their policies, decision and management. The management is not able to identify everything happening in the organization. The employees are found frustrated and disturbed by the instability of the organizations. It is also found that the organizational changed often occurred beyond the employees' involvement or prior notification. This kind of situation is not anyhow expected to the individuals involved in the organizational operation (Smith, 2009).

Analysis 10: For the many years of study on the reason behind step out from the organizations by the employees, there is a critical reason found in the analysis that the people are sometimes tired of being stuck in the same position over years. They prefer changes in their work and positions by getting promotions, increment and there is such a reason for not happening this is the economical or global crisis. Global crisis, such as war, recession have the direct impact on the millions job or organizations (Smith, 2009).

Analysis 11: Faith and confidence by the employees lead the organization to gain the competitive advantages. Increase in sales revenue is the result of hard labour and paid effort collectively. Organizations must not to ignore the reasons behind every organizational success. The employees are required to be compensated in accordance with the success of the organization, there is a bad impression created among individuals for the organizations that cannot be eliminated in many cases. The employees should get what they deserve from their performances (Smith, 2009).

Analysis 12: Growth opportunities for the organization and the employees are collectively important. Talented individuals are greedy for their achievement and career development which is in most case positive sign for the organizational development. Growth and potentiality must be visible and experienced by the involved people in the organization. Career development is crucial for the employees on the other hand getting talented people into work is a main objective of the organizations, therefore both parties are recommended to show their initiative towards the good future of the company and stakeholders (Smith, 2009).

2.1.5 Objectives

Employee retention is one of the hottest agenda now for every organization. There are some certain objectives behind retaining the employees for the organization. The organizations are expected to be operated with the proper contributions by the people involved in the organizations. The human is the key role player in the organizations at the same time, humans can be the burden for the management if the human are not found resources and do not provide enough contributions for the company.

Employee engagement: Increasing employee engagement is one of the core purpose of the management. Employees are required to be together and working as a good team in various projects. The engagement of the individuals in every single assigned task can ease the task ten times more. Employees are well fitted for the job while proper training provided from the management side. Engagement refers the organization enjoying the best productivity experience which can gain organizational goals in matter of time (Webster, 2017).

Reducing turnover cost: It is assumed that when an organization hires new employees frequently and replace the old buddies, we judge the organizations as the good and lucrative work place in general. Even the management sees the fruitful outcomes from the hiring new comers. But there is a huge cost already planted during the process. The most common objective of employee retention is to reduce the unwanted cost which is occurred during the frequent and unmanaged recruitment processes (Webster, 2017).

Knowledge retention: Retaining the personnel is not only a fact of stopping the people not to leave the organization but to retain some knowledge. Knowledge turns into skills of work, if an employee works for a certain time then he or she becomes more skills and able to pay back on time. A skilled employee performs couple of times better than a high profiled new comer. Knowledge has vast influence on the organizational operations. Employment opportunities raised from their knowledge that are idealized to the potential job hunters (Webster, 2017).

Diversity: Maintaining diversity in workplace is necessary in every organization to get effective communication and a good knowledge sharing practice. Though it is not that easy to maintain diversity but it is quite possible to retain employees. Employee retention has a clear and shut objective of maintaining diversity in the organization (Webster, 2017).

2.2 Human resource management in SMEs

Human resource management (HRM) is one of the key and most challenging activity in every organizations. HRM practice happens to be

compulsory to get more effective result from the utilization of the resources. An organization might have all the relevant resources but the effective human resources, then that might be the disaster for the organizations. Though it is noticeable that the HRM is basically practiced in larger sized organization but the circumstances happened due to the lack of HRM knowledge might lead to be distracted from the way of how the organization supposed to function. SMEs have their own adaption which either can be formal or informal but the main idea is to have a smooth control over the human resources in the organizations. SMEs generally are not capable to afford their own human resources department, they follow up some basic recruitment policies developed by their own and take into account all of the processes beginning from the recruitment to training in accordance with their basic policy on the human resources.

2.2.1 Definitions

HRM is defined as a process of recruitment of individuals for the particular job to get them into the work in some common steps. In another sentence it can be described as a process of acquiring, training, appraising and compensating employees, also attending their labour relations, health and safety, and fairness concern. Organizations have a responsibility for the involved people, getting them into work is not enough for the management of the organization other than preparing them confident and more productive towards the work. Human resource management is not an easy task but the result of the goodness of it makes a huge change in the organization. An employee can be made up according to the demand of the organization, the people can be loyal on the other hand a long year relationships among the employees can be broken due to poor management performance in the organization. Every organization is responsible for a better management of human resources. A management with a proper efficiency stand on the functions that can be called the pillars of a successful human resources management (Dessler, 2011).

Planning: Planning is an extreme process of best efforts from the managers around. Establishing goals and standards; developing rules and procedures; developing plans and forecasting. A perfect and effective planning shows the clear-cut views ahead. A manager should know how critically a plan should be executed. There is no need of being a mastermind for all these other than to be more serious and concern in their profession. There should be a clear goal set for the organization with the involved people. The organizations goal can be to expand their operation and increasing their sales revenues by a certain predicted percentage in following years. Now, there should have a plan of getting more people involved to execute the plan which is a basic task of the management to find out the desired people. But the idea is to make a plan that should be a masterpiece for the organization. Sometimes, a wrongful

planning lead to the whole resources and efforts washed out during the executions of the plans (Dessler, 2011).

Organizing: A very worthy managerial task in the organizations. Resources and the efforts are not enough to step towards success. Getting all the resources and the efforts into a bowl is a challenging task for the management. Assigning responsibilities and the tasks must be in order with an active and proper communication among the involved people. Human are the resources and a human at the same time which is most noticeable fact in the management. Establishment of channels and communication practice habitation among the individuals help each and every one understands their own tasks and responsibilities (Dessler, 2011).

Staffing: A blue print for getting plan into final executions consist of the type of people needed for the project. As earlier said, that a planning for reaching a goal of certain percent of sales revenue growth creates a demand of skilled people. The management creates a picture whereas it is clearly visible that what kind of people are required to be the part of the project. Getting into work to look for the prospective people and recruit them. Recruiting is not done until they are selected for the next step to be papered for availing proper training, developing employees, setting performance standards, evaluating performance on the set standards, counselling employees and compensating them (Dessler, 2011).

Leading: It is said that a perfect leader with an ability to lead many people has the most influence on the subordinates. A leader is followed in every step. Getting people into work with a motivation is the challenge unless they are led by a perfect leader. Leading does not make any dominating issues rather it creates a morale in the work. There is chain of command perfectly maintained by a good leading stuff (Dessler, 2011).

Controlling: Performances of recruited employees are required to be monitored. The primary responsibility of the manager is to keep eyes on their performances whether they meet the expectations of the set standards on production, individuals' performance level and the final output from the entire project work (Dessler, 2011).

2.2.2 Role of HRM and Manager in SMEs

HRM and HRM manager has vast influence on the management in every organization. No matter how many people are involved in an organization but management must be required between the organizations or company and human resources. A manager has a several responsibilities including recruitment to employee development. SMEs are formed with 10-25o

people working together depending on the sales revenues, type of the enterprises but ultimately every organization or business firm requires an active and effective management or all the resources including HR. Adapting a whole management process or department is dependent on the ability of the organization. Because HRM is optional practically but extremely required in theoretically in SMEs. There are some HR practices in an organization that reviews the role of the HRM in SMEs especially. HRM and its manager both deal with the following aspects those also played as their role on duty.

Conducting job analysis: Employees are at their job at the field of described and assigned job. Each employee are assigned their tasks as per the promise while recruiting them. The HRM is to analyse their nature of work in a parameter. Analysis gives some overall picture about the employees and help manager to see the performance and results whether the assignment was rightfully given to the involved people (Dessler, 2011, pp. 30-34).

Planning labour needs and recruiting job candidate: Individuals should not be hired without a calculated planning of benefits or goodness of the firm. HRM helps to let the manager or employer know about the actual demand of the numbered people who are going to be the part of the company. The actual number of people who are needed for the project must be hired in times. The training and other lessons period should be considered during the recruitment. A word to be remembered that an extra labour recruited wrongfully or ignoring the actual need may cost a lot to the firm. For instance, In Finland a firm of 10 individuals can suffer from huge financial deficiency due to an extra part time employee. The reason behind is, huge labour cost along with the company's payable additional 40% cost of salary (Dessler, 2011, pp. 30-34).

Selecting Job Candidates: Selecting a suitable and qualified candidate for the job is a most challenging task. Some of the candidates can show off their skills in a way they really can do but the reality comes out later may not be a happy moment for both the employer and an employee. The HR manager plays an effective role in this regard. To do a selection, it is recommended to consider candidates portfolio whether the portfolio is meeting the requirements of the asked position (Dessler, 2011, pp. 30-34).

Orienting and training new employees: New employees should be welcomed warmly to the professional and real world. HR manager is completely responsible to welcome fresher get them introduced with the policies, rules & regulations and all the functions of the firm. They should be provided sufficient information about the job descriptions. Training is a must to get the most productive performances from the employees. Training makes the individuals gain proper know how required to perform. First time training is most important as the lessons learned for the first time leave a clear framework about the work. The adaptation of work

increases if the first training seems to be successful. A first experience from the training creates either positive or negative impression about the work. Human resource management and its practice might help the firm to get the orientation and training in an effective way (Dessler, 2011, p. 32).

Managing wages and salaries: The main demand of the people from their profession is to earn money. Passion, career development comes later after considering their wages and salaries. Employees are needed to be entitled for their compensation against their efforts and labour for the company. There should be a management touch during the payment which should follow all the ethical issues to get the firms with a good image in the society. It is exclusively important in Finland to follow a certain salary structure and pay in an accordance with. As a HR manager or responsible person for the firm, they need to follow the road map of salary payment and all the legal issues (Dessler, 2011, p. 33).

Providing incentives and benefits: These are the extra consideration for the employees along with their legal wages but the thing is to remember that, there should be some incentives or benefits scheme according to the capability of the organization (Dessler, 2011, p. 34).

Appraising performance: HRM practices in SMEs have a good focus on the employees' performance appraisal. Evaluation of performance and the work can help the manager to judge the employees, at the time employees can be motivated by their performance result. Manager is a responsible person to get make a performance appraisal and highlight the real talents (Dessler, 2011, p. 34).

Communication: Employees are needed to be communicated in a routine wise. There are many case studies say that without guardian in an organization or communication with the employees, it is not possible to reach the organizational goals. Communication and counselling both have strong impact on the organizations' performance. Achieving goals are not a piece of cake to digest alone without prior sharing. It has to be done with the collective efforts which is possible by an effective communication and the employees who are needed to be on the round table for the further discussion must be called for the counselling (Dessler, 2011, p. 34).

Building employee commitment: As a HR manager, it is his or her primary duty is to gain some commitment from the employees. Committed employees are the valuable human resources for every kind of organization. They can provide more constructive solutions to the problems (Dessler, 2011, p. 34).

Equal opportunities and alternative actions: A HR manager should have an ethical behaviour towards all the people who are recruited under the HRM consequences. Providing some equal opportunities to everyone can help the organization gaining more image values (Dessler, 2011, p. 34).

Employee health and safety: This is strictly recommended and mandatory in Finland to have health insurance for the employees and maintain all the safety issues at the workplaces. To maintain a perfect HRM, it is important to put cent percent of efforts and attentions on these issues (Dessler, 2011, p. 34).

Handling grievances and labour relations: Labour union in Finland is functioned very strictly with a very strong legal power from the government. To get HRM run properly in an organization, a manager should have adequate knowledge on the issues relating to the labour union law. The protests is quite common in every nation that has to be handled with care considering the best options work for the both parties, for labour union and the enterprise either (Dessler, 2011, p. 34).

2.2.3 Strategic HRM

Maintaining a managerial activity is not done until some strategic issues are developed to keep a fair environment. Strategic HRM is the king of the management performances in an organization. A management process becomes more useful when it is made strategically. Organizational changes can be occurred in different circumstances depending on the necessity of for getting them done. The goals to be achieved, are exclusively dependant on some changes which begins from the personnel and their training and development. While coping up with the changes and other developments factors, HRM comes up with the formulation of different strategies.

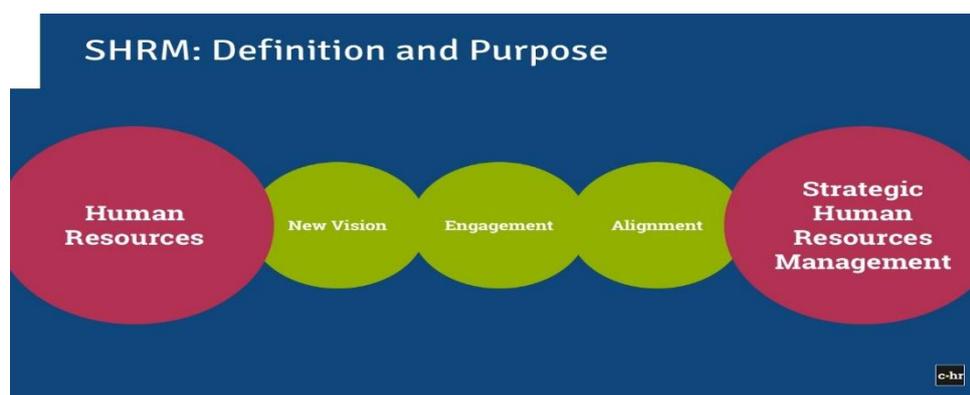


Figure 4 Strategic HRM definition and purpose (Creative HRM, 2017)

Human resources are the key to the organization that cannot be replaced by any other resources. The managers are responsible to be at their disposal when Human resources are assigned very sensitive tasks. Human resources management must be taken under the consideration in which the enterprise can benefit along with the stakeholders. The management head towards strategy formulation while there is a new kind of goal of vision. The involved people are advised to be engaged in the new vision and start their operation. There are some basic elements in general

strategic management process that are also applicable to the human resources management. The human is the lively performer while trained up properly, taken into account in a strategic management process. The basic elements of strategic elements:

Organizational Vision, mission and goals: There must be a bridge or navigable way between the desired destination and the departure. It helps the management to boost up their performances on time. The people seek for the ways to reach the goals in time with optimal use of every kind of resources (Briscoe, Schuler, & Claus, 2008, p. 36).

Environmental scanning: Scanning on the related issues around the plan is unique way to find out the actual problem. Before the management approaches to do the next job, it is important to make a routine scanning on the resources, money, manpower, competitors and on the stakeholders in order to proceed the management towards strategic level (Briscoe, Schuler, & Claus, 2008, p. 36).

Strategy formulation: After having everything scanned around, strategies should be formulated in accordance with the problems or findings from the scanning. Strategies can be formulated with the help of the found problem in very convenient or precise way (Briscoe, Schuler, & Claus, 2008, p. 36).

Strategy implementation: Strategies are just not to be adopted or store for future. The strategies have to be implemented in right time with the involvement of right people (Briscoe, Schuler, & Claus, 2008, p. 36).

Evaluation and control: Evaluating the outcomes from the implemented strategies are necessarily considered to be judged. Strategies function well if there is a brilliant control over the entire process of the management. There is say in business management that a perfect management with perfect strategy serves longer than expected with a perfect evaluation of it and having a goof control (Briscoe, Schuler, & Claus, 2008, p. 37).

2.2.4 HRM strategic integration and organizational performances

Last few decades organizations and their activities experienced a lot of changes, revolutions due to the factors like, climate changes, economical fluctuations, technological revolutions, political impacts, digitalization and globalization. The world is being closed and compacted. The factors mentioned above have the huge impact on the organizational operations. Managing human resources along with adaption of several strategies are the key priority of the organizations. In present era of business and organizational operations, the world has experienced the uniqueness of

the human resources in every organization. Strategic HRM grabs the attention of many researchers and scholars. And a research says the organizations without practicing the proper management for human resources do outperform comparing the ones with proper application of Strategic human resources management system. Integration of HRM strategies may help to boost up the performances of the organizations. There is a very close relation between the involved human resources and an organization. Human resource development plays very important role for organizational development and the goals become easy to be achieved with the used resources (Chanda & Shen, 2009, pp. 72-95, 147-170).

Organizations enjoy some of the goodness due to the strategic decision by the management on their human resources. Overall activeness basically increased by the outcomes from the well trained and developed personnel. The following issues could be the outcome from the organizational performances.

Effectiveness: Every decision and the issue becomes so effective that can turn the outcome into the most productive. The management can pursue the new kind of things into use. All the departments of the organization gain the knowledge collectively and become committed to achieve the same goals with full of the human efforts (Katou, 2013).

Efficiency: Efficiency is the component which has so much of influence on the task people perform. Efficient managers are the always moonlight of the organization. Organization can see the result if efficiency in every department after integrating the Strategic human resources management into the organization. Efficiency turns into perfection which leads the organization to gain all the competitive advantages (Katou, 2013).

Development: Business expansion or the activity of the organization gets a break to be wider if there is a strategic management touch in the human resource management system. Organizational development can also experience their internal and external development at a time which increase the image value of the organization as well (Katou, 2013).

Innovation: Innovation comes from the human brain which is the most valuable outcome for the organization. Strategic management process can motivate the involved people to come up with the new ideas. A single innovation can change a total market condition shortly. Android as an example of a successful innovative software which is still leading the market and it has been already couple of years. The organizations can taste the sweets from the innovation in actual (Katou, 2013).

Quality: It is the thing in organization which grab the attention of the public. A quality organization enjoys the most valuable share price. Quality in production, services from top to bottom are entirely a valuable stuff in organization. It helps the people to trust the organization even without any

references. A strategic way of practicing HRM has the ability to make it happen and an organization can show their quality intension to the market (Katou, 2013).

2.2.5 Strategic recruitment and Selection

Recruitment and selection is done in various ways depending on the job requirements. There is some certain process that every organization has to go through while doing recruitment for the organization. Recruitment of the talents for the organization is not an easy job unless done systematically. An organization in need of hiring people in order to run the organizational activity properly and they often look for the best people who can fit into the offered job.

Strategic Recruitment: Recruitment is a process of searching or obtaining potential candidates for the organization with having sufficient knowledge about the job they can be selected for. Recruitment helps to find the best talents for the positions. It also creates a big competition among the potential candidates whereas bests are easily compared according to the need of the recruitment. Recruitment refers to an organization to:

Attract a suitably qualifies pool of applicants for a vacancy: To get the suitable people out of huge number of potential candidates, it is necessarily needed to make a big gathering through job publishing medias or social medias that are now treated as the most effective media. And every publication should explain nature of the job and every possible disclosure to make the candidates be prepared for the actual demand from the positions (O'Meara & Petzall, 2013, pp. 6-11).

Attract staff in a cost-effective manner: This is the way to get the recruitment inside the organizations. Potential candidates can be invited for the interview and be selected for the position they need for filling up. There is a consideration of cost effectiveness in this regard which is very important for the recruitment committee. Not every time fresher is welcomed for every position (O'Meara & Petzall, 2013, pp. 6-11).

Attract staff in a timely manner so that appointments are made quickly: Most cases time is so precious and act as most valuable matter to be considered. Organizations often prefer internal recruitment in order to save time over the time-consuming recruitment process (O'Meara & Petzall, 2013, pp. 6-11).

Provide a short-list of candidates to proceed to the selection phase: Few number of candidates with specialization know-how can be targeted for further selection. As long as the recruitment committee find the most suitable candidates for the positions, they are listed under the priority

manner and proceed their applications for the selection (O'Meara & Petzall, 2013, pp. 6-11).

Strategic Selection: The most effective results from the recruitment and targeted individuals are entitled for the final selection. Selection phase allows the organization and applicants to engage in acquiring and passing on information to determine suitability of the fit between both parties. Each party will be considering all the gathered information about other to reach final decision. The information should be evaluated properly and be linked to the organization's strategic imperatives, however, the selection is concluded by the organization making an employment offer to one or more selected applicants (O'Meara & Petzall, 2013, pp. 6-11). The selection phase may include:

One or more interviews: Selection process cannot be done at first sight. It should be taken place by arranging one or more interviews to let the applicants more, whether they are really the right choice for the organization. The more interview can be costly and time consuming but in order to get the sensitive position filled by the right candidate, it is necessary to conduct more than one interview. Though it is not widely practiced for the selection in SMEs but good to have a sufficient knowledge on the selection process (O'Meara & Petzall, 2013, pp. 6-11).

Psychometric testing: Individuals are expected to be ready psychologically for the work. To understand the intentions of the selected individuals it is very worthy to have a short test to measure their psychology (O'Meara & Petzall, 2013, pp. 6-11).

Checking references: Sometimes a good reference solves the selection process shortly. An individual who is referred by a very enlightened person can be considered as a best candidate and it can make the selection process easy (O'Meara & Petzall, 2013, pp. 6-11).

Medical assessments if required: Some jobs require healthy people at their place. For instances, an individual with mentally disturbed and stressed out cannot take the place of a critical decision maker. It's a common phenomenon where an organization set their requirements to grab the people with physical or mental fitness (O'Meara & Petzall, 2013, pp. 6-11).
Finalising the training: There is a basic or advanced training period in every job description which is mandatory for the individual despite of having enough skills as long as the training is provided for the specific job they have been hired for (O'Meara & Petzall, 2013, pp. 6-11).

Monitoring performance: Let the selected people work is not the end of the selection process, rather they need to be monitored on regular basis in order to judge their performance and make a constructive feedback. A constructive feedback on the performance might be helpful for the

employees to understand their own performances and try to accurate themselves for the next task (O'Meara & Petzall, 2013, pp. 6-11).

Strategy outcomes are the final desire by the management. The something coming out from the above implemented strategies are having the real meaning of effort on strategic recruitment and selection. It helps the organization to measure their skills, knowledge and attributes to meet current and future strategic and operational requirements. Strategic selection can meet the requirements on demanded candidates and also increase the probability of pool of potential candidates. The more upcoming candidates will have the positive attitude towards the organization which will help the organization to increase their effectiveness in productivity and performances.

2.3 Employee retention manuals

Employees are the main engine of the organization. The whole system or operation will be collapsed lacking sufficient number and the skilled employees. Employees are the ones who have the most effective contribution to the productivity and other critical stuffs. Skilled people are expected to be working for the organization until the goals are achieved and mission is accomplished. Employee retention manuals will be a basic guideline for the managers for adaption of different methods and strategies in an affordable manner. Employee retention manuals containing all the possible aspect to let the people stay in the organization. The more effective use of the manuals can be useful twice than usual if the manuals will be bringing the contents in effective manner. And the contents will be able to convince the managers for adaption.

2.3.1 Tips and ways of employee retentions

There are various methods used to get the people work for the organization. There are some basic tips for the managers to have a little control over the employee turnover. The use of the ways are mostly important for SMEs in Finland. As long as the Finnish working environment, employee turnover is a biggest challenge for the small and medium sized enterprises. The Human resources are the game changer in the organization who have full control over the decision taken by the top management. Every kind of organizational changes and the frequent decision have the huge impact on employee turnover and sometimes it is out of control. Therefore, it is recommended to get the people back to the

work with all the following ways whichever is applicable for the organizations in real application.

1. Attracting the best and most suitable individuals
2. Full clarification of the expectations from the job
3. Showing appreciation
4. Developing talents of the personnel
5. Rewarding and recognising the involved people
6. Establishment of Effective communication
7. Ensuring little extras that are noticeable or unnoticeable
8. Non-traditional ways of dealing with employees
9. More ways are to develop some strategies in an effective ways.

Attracting the best and the most suitable individuals

To get the most productive people for the organization, the management or the employers must consider finding the best and most suitable individuals. Finding of best people not enough until their talents utilized most for the organization. There are few suggestions and very affordable ways to attract the talents and encourage them to stay longer in the organization.

Figure out the competencies in the new employees: To figure it out what are the competencies the new employees have, it is necessary to know the existing competencies that have boosted up the organizational performances earlier. It is easy to compare the competencies by considering the past competencies used to perform a specific task. (Garber 2008).

Encourage the current employees to refer their friends, relatives or potential employees for the job they are involved in: Current employees are the best media to get the qualified people, as the existing employee know everything about the organization and they can easily attract the new people and leave a positive view on the organization to the people around. It helps to let the people stay in the organization (Garber, 2008, p. 3).

Identify the most talented and active employees and enlist them at the latest: Employees are always curious to show their talents for the job which must be understood by the management and enlist those people into their priority list. It does not mean to judge the employees according to the talents and start practicing discrimination. It is just a consideration to know those talents separately and treat them silently that they are emphasized more (Garber, 2008, p. 3).

Clear explanation of the job responsibilities beforehand in front of the employees: It's a positive and most professional manner to explain all the issues included in the job responsibilities in front of the employees,

therefore, the employees know exactly what is going to be expected from them and there are no hidden things to get shocked later from the job (Garber, 2008, pp. 3-39).

To make the convenient transition for the new comers: The newly appointed people do not exactly know the real situation of the workplace. It is the management duty to make the situation simple and convenient for the new employees, therefore, they can adjust themselves in short time with the job and will get rid of internal fear (Garber, 2008, pp. 3-39).

To get involved the new employees into the organization as quick as possible: The new employees have the desire to be the part of the organization. It is important to let them realize that they are important for the organization and their involvement in organization will make the organization proud. And also, it is important to make them believe that something exciting waiting for them during their work period (Garber, 2008, pp. 3-39).

To encourage all managers and the supervisors to help the new comers: New employees must be provided all kind of co-operation from all the departments. It's a bad manner from another department manager if the new comers do not get the co-operation they deserve (Garber, 2008, pp. 3-39).

To visualize the top-order experience from the job at the orientation: New employees have to be visualized the top-class experience from the job. They need to be given the chance to think about their bright future from the job which will make them more active and curious for the next assignment (Garber, 2008, pp. 3-39).

To avoid more work load at the beginning: The new employees must be given sometimes to adapt everything. Adaption skills vary person to person, therefore, in Finland basically a four-month trial period is given to the new employees to learn. It does not mean, that employees need four months to learn. It is exclusively depending on the individual own skill, adaption capacity and power (Garber, 2008, pp. 3-39).

To notice the strengths of the new employees immediately whenever possible: It's a good management quality if the managers can identify the strengths immediately during the work performance. It increases the hope for the organization to get them work into more productive way (Garber, 2008, pp. 3-39).

To welcome new employees warmly: Orienting new people is a formal task from the management which has huge impact on the mind of the new employees to understand the organization quickly (Garber, 2008, pp. 3-39).

To ensure the effective training session for the new employees: Effectiveness of the training session varies according to the nature of the organization. The managers must gather the new people to be trained up in a way, they can easily adapt. For instances, for the restaurants employees, it is better to get them directly to the kitchen other than providing some reading materials (Garber, 2008, pp. 3-39).

To make a link between orientation and the goals of the organization: This is the most effective way to get the new employees involved in the organizational goals. They can make up their mind about the intension of the organization and be prepared for achieving goals. In this case, the managers have to be smart enough to link the orientation with the goal very smartly (Garber, 2008, pp. 3-39).

To show the appreciation and respect to the new employees for their contributions: The most formal manner is to appreciate the employees and show the unconditional respect for their contribution to the job and good performances. Appreciation will gear up the employees to pay more effort to the job. The people are most likely to have some respects from their employers for their performances. A good performer deserves some respects from the manager (Garber, 2008, pp. 3-39).

To ensure friendly work environment: A friendly work environment has lot to do with the involved people. A very friendly environment brings the employees together and let them be supportive with each other. There will be less stresses in the job, personal problems will be resolved by seeing the faces of the cheer up people (Garber, 2008, pp. 3-39).

To listen carefully each one: Human nature is to get the priority from the place they belong to. Treating all the employees equally and listen to the problem of each can have long term effect on the productivity. The individuals will be motivated more and will be more career oriented from the same organization (Garber, 2008, pp. 3-39).

To offer instant bonuses to the talents: It is one of the way to attract some talented employees, providing them instant bonus which is not declared earlier but given because of some specific tasks. Though it is not sometimes worthy to some people who prefer career development than the financial incentives (Garber, 2008, pp. 3-39).

To use the adaptable interview and selection tools: Interview and selection process varies according to the nature of the organization. The important thing is to make it happen right away, there will be very precise and effective questions to confront the people to get clear and precise answers from them and it helps the management to judge the individual in short time. Now days, social medias can provide a lot more information about their members. For instance, a prospective candidate can be searched in

his or her social media profile to know his or her basic information, especially nature of the candidate (Garber, 2008, pp. 3-39).

To appoint very active person to conduct the orientation: A good presenter or a warmly welcoming orientation can be held with the help of a responsible person or expert who has the sufficient and precise knowledge about the subjects. First impression leaves a long-term impression for the job and the organization (Garber, 2008, pp. 3-39).

Full clarification of the expectations from the job:

Employees are curious to know about the organization's intension and expectation from them. Human do not want to be shocked in their professional lives. A professional life decides, how a person can lead his or her life. It's a huge investment from the employees who can just invest their whole life with valuable time in a specific job. Therefore, they have right to know everything including expectations from them on the job before joining. It's a great and most professional manner to clarify the job's expectations to the employees. The management should make sure that the clarification is done in very formal ways. There are basic ways to do so (Garber, 2008, pp. 3-39).

To be clear to the employee about their future: The future is always uncertain, but there some facts than can be controlled over the future. Employees should not be headed toward unrealistic expectation from the current job. They should be explained tactically and showed up their prospective future according to the career they have adopted. The simplest way is to get the employees work done according to their capabilities and expertise, therefore, they can realize how far their career can drive them (Garber, 2008, pp. 3-39).

To know what is important to the employees: As a responsible manager, it is a recommendation to the manager to know the facts that, what could be the most important fact to the employees. It could be done by conducting a survey with some tactical questions or to make an informal questioning session to the selected individuals. However, it is possible but it's very worthy for the organization to know that in which fact employees give more importance. It extremely helps the manager to retain the employees if the employees' consideration and actual demand is visualized (Garber, 2008, pp. 3-39).

To know from the employees what the benefits are they look for: It varies according to the nature of the individuals. Some people look for the financial benefits from the job whereas others might prefer career development. The manager has to approach the employees in accordance with their thoughts about the benefits if they are treated as important for the organization to stay (Garber, 2008, pp. 3-39).

To review the accountability on a routine wise: Although the job responsibilities once explained to the employees, but there are still some misunderstandings or misinterpretation between the manager and employees. To avoid this kind of conflict, it is necessary to have a review before everyone to remind them what their responsibilities are. It prevents employees' turnover significantly (Garber, 2008, pp. 3-39).

To keep reporting the responsibilities as clearly as possible: The more organization run the more things get complicated. There is a recommendation of maintaining a fair relationship between the manager and the employees in order to understand both of their responsibilities and react in time (Garber, 2008, pp. 3-39).

To set a clear expectation: It is very common to notice in many individuals who are upset about their job, because they do not understand what an organization want from them. As per the running time of the organizations, complication is a challenge to overcome, therefore, each time something changes in organizations, employees should be called upon and handle their responsibilities to let them be clear with themselves even (Garber, 2008, pp. 3-39).

To set measurable performance standard: Performance standard should not as high as the above of achieving it. Standard has to be set up according to the competencies of the employees, therefore, it is easy for the manager to measure their performances (Garber, 2008, pp. 3-39).

To avoid expecting blind loyalty from the employees: Employees should not be treated as the best contributor to the origination. It harms the decision and keep a huge impact on the organizational operations. Nothing is permanent; therefore, smart managerial thought is to think an alternative option in case someone important leave the job. It helps the organization to execute retention program more effectively (Garber, 2008, pp. 3-39).

Showing appreciation

It's a very logical and worth to practice in every organization. Employees have to be appreciated for their hard work. Appreciation from the management does not let a manager down, on the other hand it helps to retain the employees. Appreciation can be expressed by allocate the employees very important task or let them to be part of a valuable project, or by simply saying ``Good Job`` to the performer. Practicing appreciation in SMEs in Finland has the most effective result according to the working atmosphere in here. There are also some basic techniques to follow for retaining good people for the organization (Garber, 2008, pp. 3-39).

To notice a very tiny accomplishment: Employees can easily judge their own performances and it's a very valuable moment for them when the

moment while performing well is noticed by the management. For instance, in a restaurant, a waitress is able to handle a critical guest and the moment is seen by the manager which gives positive thoughts to the manager about the waitress. The manager just got to know that the waitress is responsible and able to handle the small matters herself which deserve an appreciation (Garber, 2008, pp. 3-39).

To identify the best quality in employees: People are not equal performer in every problem. Some people are good in communication on the other hand some are good in physical and mental strengths. The idea is to know each of their strengths and evaluate them properly. Allocation of the responsibilities should be according to the strengths, it helps the people to be happy with their work. Manager should not let the car mechanic to make a sale of a car. Because that quality belongs to a professional sales person (Garber, 2008, pp. 3-39).

To treat equally in terms of respect, dignity and honour in every time: An organization is run by different positions at a time. One can be manager, one can be sales man, one can be assistant, and however the position of the employees in the organization, it is strongly advisable to the management to have a fair practice of giving same respects, honour, and dignity to everyone. The main idea is to treat them as the part of the organization who have the contribution to the field they are involved in (Garber, 2008, pp. 3-39).

To feel proud of the employees at their presence: The manager has to show to the employees how much does the organization care for them and how much proudness they have on them (Garber, 2008, pp. 3-39).

To encourage wellness and offer some discounts on the product or services for the employees: Employees can be provided guideline or wellness schemes to be aware of their health and, they can be given opportunities to enjoy the products or services from the same company. It helps to get their attention on the organization (Garber, 2008, pp. 3-39).

To give award or gift for instance good performance cannot cost much to the management but it helps to gain attention of the employees. Employees should be given a pair movie tickets or a gift card which is not done formally rather on instantly (Garber, 2008, pp. 3-39).

Developing Talents of the personnel

High skilled people are the curious to develop their knowledge more. They would like to be performing even more than usual. It is a great opportunity for the organization to develop the talents of the employees. If a group of employees are progressing great, they must be taken into account for further training wither from inside the organization or outside providers.

There are schemes in many organizations whereas the employees are sent to even another country for further training which is the advanced talents developing program. SMEs in Finland may take the initiatives to develop the talents of the employees as much as they can afford. There are some tips that might help the organization to get the people who think they have the accountability to the job (Garber, 2008, pp. 3-39).

To have a formal or informal conversation with the employees about their careers: Open talk or conversation with the employees can clear it up what is going on inside the head of the employees and take their opinions about their developments for better performance (Garber, 2008, pp. 3-39).

Establishing mentoring program: People keep learning throughout their entire lives. The idea is to provide some of the mentorship programs if applicable to the organization. It helps to learn about the issue and to be more experiences because knowledge sharing is the perfect example in mentorship (Garber, 2008, pp. 3-39).

Optimize employee performance: Employees should be assigned the job they have interest to do. It helps to develop their knowledge at the same time organization is benefitted for the employees' better performances (Garber, 2008, pp. 3-39).

To make the realization of being potential: Employees should be given chance to think themselves as potential people for the organization. It helps to build up their career on the same field they are involved in. They need to be easy with their profession and let them pay their effort based on the way they want (Garber, 2008, pp. 3-39).

To make sure that the performances are being recognized: Employees would like to have their small achievement disclosed and as responsible manager, this is the way to let the employees feel that management has recognized your achievements. It is obvious that the small achievements will lead to a bigger one (Garber, 2008, pp. 3-39).

To differentiate the critical positions for employee development: There should be some critical position in the organization that can be offered to the most desirable people. It's a positive attitude by the management to have the people in the positions, who think they can perform better (Garber, 2008, pp. 3-39).

To treat the employees as partners of the organization: Partners will have the better contribution in work. Let the employees be partner of the company will help to grab them for longer time. They will start taking responsibilities in the same way as the owner of the company takes (Garber, 2008, pp. 3-39).

To let the employees for self-directed learning: The management should let the employees learn themselves in a way they want. People do not learn everything in same ways. Learning style varies person to person. The best way of retaining the employees is to let them enjoy freedom in case of making decision to learn in their own way. Freedom of learning with own style gives more productivity to the organizations (Garber, 2008, pp. 3-39).

Rewarding and recognising the involved people

In every kind of organization, especially the business enterprises, rewarding the employees who have done well for the company is a much-matured practice. Employees often feel proud of their performances if they can achieve something, this makes them feel that they deserve something from the management. And for sure, there are some of the achievements that have long term effect on the company and help to achieve organizational goals. To reward the employees, there are some formal tips that can make it happen officially.

To sponsor regular social events of employees and their families: This is very common way to interact with employees but it has effectiveness on the long-term plan. Employees would like to be recognized by their company, it's a good marketing of the organization, if the employees and their families are sponsored in some short of events. The people around got to know the organization more referring to the sponsorship (Garber, 2008, pp. 3-39).

To ensure fair compensation to everyone: The management has to make sure that the employees are getting paid as per the agreement. In Finnish SMEs, salary and the wages are completely monitored by the labour union law. There is no scope to pay unfairly to any employee. This is an additional job of the management to have a look over the compensation on regular basis (Garber, 2008, pp. 3-39).

To make the publicity of any employee achievement: Most of the business firms are regularly publishing their own magazine or using public newspapers of social Medias. It's a great opportunity for an organization to be known more by the public throughout an employee achievement. Though it has a bit less influence in Finland due to conservative business policy of not being so much public, but it has future impact (Garber, 2008, pp. 3-39).

To offer stock options to all employees: To get the employees work for the company for long, it is required to involve them into the stock. The management should convince them to buy some stock and give them some stock as reward. It helps to make them responsible for the company and pay more effort to their performances (Garber, 2008, pp. 3-39).

To pay performance bonus: Performance bonus can be allocated according to the employee performance on the project. It does not have any pre-planned calculation. It might be monetary assurance named as a bonus which can be given on the employee's performances. For instance, in summer restaurants, they made a better business compared to previous year and they decided to give some bonuses to the summer employees. It gives positive thoughts to the employees and become curious to work upcoming years (Garber, 2008, pp. 3-39).

To pay or give some gifts to the employees for their specialized skills: Some employees might have the skills that can be very useful for the company. And they are always expected to work for the company longer. The management can take some short initiatives to pay them for their special skills, and also the employees can be paid for specific goals which is achieved with the help of collective contribution. It might help the SMEs in Finland to retain their talents (Garber, 2008, pp. 3-39).

To surprise on special occasions: There are so many of special events in human life. The management should show concern on the personal occasions of the employees. The company keeps the records of employees starting day in job, birthday or some companies even keep the records of the employees' hobbies and their marriage anniversaries. The idea could be that, the employees can be surprised with the occasions mentioned above with a gift, holiday package or a good treat. Employees keep in mind that how meaningful life they have for the company (Garber, 2008, pp. 3-39).

Establishment of effective communication

Communication is the key to reach people. In every organization, an effective communication is must have. There are thousands of matters and the valuable information that must be spread out among the involved people. Now days, technological advancement allows people to build up a quicker and even virtual communication easily. The thing is to use every kind of possible tools effectively for communication. Employee retention becomes easy while the firm establish regular communication with the employees and allow employees to communicate with the management unconditionally. There are some easy steps to follow for establishing an effective communication practice in the organization (Garber, 2008, pp. 3-39).

To give instant feedback: Not every time a manager has to arrange the formal feedback session to know their subordinates, rather there are many ways to give and receive feedback from the people. A supervisor can easily put a comment on someone's performance. It helps that individual to be easy with his or her work and make immediate correction if needed. At the same way an employee should have that allowance to leave a feedback on management task instantly whenever noticed. It helps both parties to

understand each other deeply and helps to solve any problem instantly. There is much possibility to get people with having more engagement on their job and make them stay in the job (Garber, 2008, pp. 3-39).

To share the company's vision and goals clearly: The employees should know what they are doing and what for. It has a huge impact on employees' retention program. Employees expect from the organization that, their purpose of doing job is clear and they can make up their mind whether to stay or not in the company. They can also make up their mind that how they can build up their career with the current job (Garber, 2008, pp. 3-39).

To allow the experienced employees to share their own view: It is worthy to have the opinion of the people for a critical situation who are working for the company for long time. It helps the company and its involved people to feel the situation through the experienced person. The new employees can have their thoughts of serving the company for long to be evaluated as the same as the existing employees are (Garber, 2008, pp. 3-39).

To ensure the valuation of words of the employees: To get rid of any professional conflict, it is recommended to give the people chance to explain any critical situation before the management makes some decision based on the situation (Garber, 2008, pp. 3-39).

To avoid any negativity in communication: Managers should not react with a negative message before the employees for a problem. Rather the first message should bring a positive aspect of the issue that has improved already and later should discuss the problem in a soft manner (Garber, 2008, pp. 3-39).

To avoid any code words during communication: To use the code words during internal communication make the employees feel that their effort is being used by the organization and they are not the part of everything in the organization. The managers should avoid thing kind coding language instead use the simplest communicating message to let everyone understand (Garber, 2008, pp. 3-39).

To create a group communicating platform: There are various ways to build up the communicating platform. WhatsApp, Skype, Forum, Blogs and other social Medias that can be used as most convenient platform in the organization. The communicating platform brings the involved people together and share each of their thoughts in very short time. For instance, a small company with 12 individuals can communicate in WhatsApp regarding their professional issues. It is currently widely practiced in Finnish SMEs. It helps the individual to be more confident on their profession and decide to stay in the family (Garber, 2008, pp. 3-39).

Ensuring little extras that are noticeable or unnoticeable

Employees keep expecting their appeal to be noticed by the management and wait for the management's reaction. Management's duty is to pay some additional attention on the individuals' small tricks. Some people may react indirectly to the management decision, for instance, an employee is willing to get a little increment with his or her salary but cannot really make it to inform the management. It's a signal from the employee that if you can pay me little extra, I will stay in the job. There are some basic tips to get this done (Garber, 2008, pp. 3-39).

To allow employee to work virtually or independently: Employees have the most common intention to work independently in their own way. It is not always possible for the management to let their people do so. But, if there is chance of having the work done somehow, it is better to allow the trustworthy employees to work in their way (Garber, 2008, pp. 3-39).

To give chance the employees for confidential counselling: Every individual is somehow dealing with some of the personal problems. A good manager never let their employees to be upset and bring their personal deeds into professional life. Those who are suffering from any personal problems should be considered for a confidential counselling by listening their problems and suggest them in accordance with. They could be allocated some short of paid holidays to be refreshed (Garber, 2008, pp. 3-39).

To allow employees for free snacks: It's not a big cost for the firms but it gives more to the company. Employees would like to be refreshed at their workplace as well. They should be provided some snacks, coffee in their work interval. It allows employees to feel comfortable and consider working place to be a most refreshing place. Because, employees spend most of their times in their workplace. It's worth to provide this to them (Garber, 2008, pp. 3-39).

To provide physical fitness of other refreshment package: Employees should be treated as they are needed for the company not only their effort but their physical and mental fitness also have same importance as their skills. The management can provide some of the exercise package or club membership to make them realize that the company is for them (Garber, 2008, pp. 3-39).

To create a credit management for all: People work for a better life. They expect some short of savings from their salary or wages. There are many ways to adapt for savings and people always adapt any of them. The main idea is to get the involved people together and make team with proper management and make a savings scheme suitable for all. Employees can feel safe for their future (Garber, 2008, pp. 3-39).

To allow employees use company accessories and assets if needed: An employee might need a car for a family tour which can be provided by the management to let them enjoy their trip. There are some small accessories, such as printers, scan, telephone or other accessories that can be sometimes open for the employees to use (Garber, 2008, pp. 3-39).

Non-traditional ways of dealing with employees

Decades ago, a person who has worked for a company over thirty years and retired with a farewell including a golden watch or some valuable gifts. The things changed a lot now. The people are not dealing with patience, emotions and full of dedication. The organizations are now after the skilled people, and the skilled people have so much options for getting them involved in any of their optioned enterprises. The management should react with the current affairs and the behaviour of the people towards professions. The employees should be hired for the period they are needed. There are some useful techniques to deal with the people in Non-traditional ways (Garber, 2008, pp. 3-39).

To avoid spending time on them who are almost leaving the job: The manager should not waste their time for making understand the people who are willing to leave the job. Rather it is a good idea to find out something that help to prevent others from leaving the job (Garber, 2008, pp. 3-39).

To avoid taking everything seriously: Human make the mistake in their lives. An efficient manager does not take every mistake of employees personally and fire them, rather it is important to deal with them practically and let them work for the company. It can make the employees ashamed and work long for the company to pay back (Garber, 2008, pp. 3-39).

To ensure privacy for the employees: Now day's people are more reserved in their personal life. They are not that much outgoing and friendly. As an efficient manager, it should be avoided to break the privacy of the individuals. Employees should be given chance to maintain their privacy in their profession. If anyone is not interested to be friendly with the boss, it is strictly recommended to the manager not to insist them to be so (Garber, 2008, pp. 3-39).

To ensure job satisfaction to the employees: It is one of the top priority of the management to ensure the job satisfaction for their employees. If the people are becoming sensitive in their personal life, a little dissatisfaction can lead them walk away. Assuring job satisfaction can find the employees to be more committed to the job (Garber, 2008, pp. 3-39).

To avoid overloading work pressure: People have lot to do outside work in the present context. They cannot take all the things together in their lives

and handle them patiently. In Sweden, they have already implemented six hours working time to lessen the work pressure and give the employees two more hours to live their own lives. In Whole Europe, the people are expecting to have less stress in work which is one of the biggest consideration for the organizations (Garber, 2008, pp. 3-39).

To give positive hopes against the failure: Failure in work is quite common phenomenon which must be dealt with care by the management. The employees should not be given any shock or punishment rather give them hopes to do better ahead (Garber, 2008, pp. 3-39).

Basic ways are to develop some strategies in some effective ways

The organizations must be more careful about their employees. They need to keep making adaptable strategies on right issues in right time. Retaining employees should be given more priority in the organizations if human resources are the core asset to the organizations. These assets must be taken care of and let them work for the organization. Employee retention strategies must affect the management decision in term of human resources. There are few tips to build up some strategies for employee retention (Garber, 2008, pp. 3-39).

To get employee retention goals and develop them: The goals are the meal for inviting people who are hungry to consume them. To make short term or long-term goal on regular basis can push the people to work on it. Employees will be more active to achieve the goals to develop their performances and will be bound to work for the company (Garber, 2008, pp. 3-39).

To conduct career counselling: Employees consider their career most other than anything else. To conduct career counselling with each one will keep the retention progress on going (Garber, 2008, pp. 3-39).

To be concerned on employee turnover cost: There is 25-200% employee turnover cost occurred in an organization. The management must learn these calculations and pay more effort on employee retention (Garber, 2008, pp. 3-39).

To consider employee retention as a critical issue: Paying more effort on employee retention does not cost more than employee turnover cost. All the responsible personnel in the organization should conduct regular discussion on this issue. It might help to retain the employees (Garber, 2008, pp. 3-39).

2.3.2 The fundamentals of reward management

Reward management is one of the most useful incentives used in many organizations. The program is taken place in various ways depending on the organizations own policies. It can be defined as the way of motivating people in a constructive manner. The people who have the most contribution to the organization are treated as the asset of the organization and are entitled to be awarded for their efforts and contribution. Reward management helps the management to retain talents. Talented individuals have the more opportunities in the job market than others who are always expected to be retained for a company they work for. There are some fundamental aspects that might help the management to understand the ways of dealing with the issues and integrate them with the talents.

The reward management is generally practiced in two contexts internal environment and external environment. And both environment has huge impact on the employee retention programs. The idea is to bring the reward system as a proper management activity which must be applied strategically and technically (Armstrong, 2017, pp. 3-32, 118-140, 153-167).

In the context of internal environment, reward management must consider the following issues helping for implementing employee retention program successfully.

Organizational culture: Organizations should have an adaptable culture. SMEs in Finland have been practicing the same kind of culture unless the enterprises are multinational. There are still some facts to be considered in internal culture that are always different than others. Whatever the organizational culture is, it must be easy for adaption for the employees. The management must apply the reward management according to the company's norms, values and attitudes towards the employees (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

The business of the organization: The activity of the organization must be recognisable. It has the impact on the recruitment and selection of the people. People would like to know their future workplace, unless it's a (government operated secret service) to get a clear picture of their work life. Doing practice of reward management system, it is highly recommended to disclose the business of the organization to the potential people to be hired. For instance, in some of the IT firms they have annual payment system to the employees. In this case, the people who have

intention to leave the job within a short time will never consider that firm to work (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Technology: Reward management is highly impacted now a day because of the technological advancement. Because of the technological revolution, payment system and the quality of the people to be hired has changed. Some employees are not ready to adapt the new technology frequently, it causes training and other technical learning cost to the company. Before, implementing a proper reward management system, it is important to predict organizational own technological requirements and its fulfilment and hire the people based on it (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Business strategy: Business objectives, mission and vision must be clarified before the employees not later than take off to the project. It helps to establish management system, as the firm already know who are the people are ready to fly together adapting the business strategies (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Employees' point of view: Employees' opinions should be given priority before implementing the reward management system. A firm must know all the possible and upcoming happenings occurred before a critical project starts. Management must aware of the employees' point of view regarding the specific project or work in the organization. It helps management to understand who are the people might be working for longer (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

In the context of external environment, it is clearly experienced by the organizations that how the world is changing and what is happening to the field of works. Before establishing the reward management in the organization following facts must be into the consideration (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Employment trends: In the era of globalization, people are getting the world and the working environment of different part of the world. It's a big challenge for the SMEs in Finland now days, which they cannot get the complete competitive advantages. According to the statistics, there are over two thousand highly skilled people have left Finland for building up their career to other countries. Due to heavy taxation and not having career development opportunities, they have left the country. It a concern of SMEs in Finland to retain them by coping up with the international employment trends and get their employees back to work. Reward management system must be established considering these external facts heavily (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

The industrial relations scenario: Due to heavy influence of the labour union and taxation, there is a problem of having reward management in practiced by many organizations. Payment system and the taxation should

be taken into serious consideration and find a way to developing reward system. There should be a negotiation regarding collective bargaining with the prior authority (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Reward management with the strategies must ensure the quality of work and life, there must be a well balanced between professional life and their personal life. The employees should be recognized by their skills and performances. The employment opportunities should be the key priority to be considered in employee retention. Training program should have the effectiveness that can make the employees feel secured in their career development. There should be practice of maintaining the total reward system in every organization. It does not necessarily mean to adapt all the contents despite of having disability, but at the least from the following elements of reward system (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

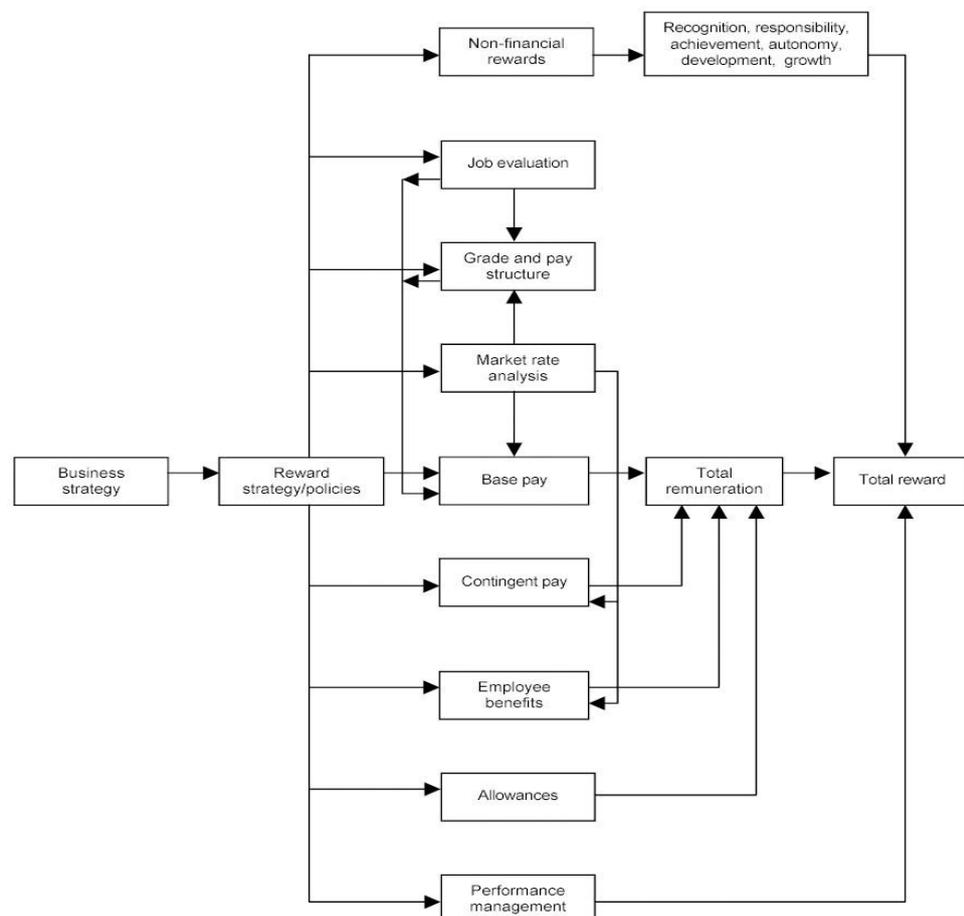


Figure 5 Reward system elements and interrelationships (Armstrong, 2017).

Elements of rewards system

Base or basic pay: The fixed salary or amount to be paid in accordance with the collective agreement. In Finland, every company is entitled to follow the basic structure of the salary or wages. Basic pay is paid based on

annual, month, week, hours or on the specific job, in Finland monthly, twice in a month and hourly basis salary is paid. The organizations should show their concern on the base pay (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Contingent pay: The enterprise has to take responsibilities on the additional payment other than the basic salary which is amounted on the basis of performance, competences of the employees. This is the way to get attention of the employees towards the organization (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Employee benefits: Sick leave, pensions, safety or other insurance should be taken seriously with the salary scheme. Annual summer holidays with pay is most important to the working people in Finland which is most considerable factor in every organization (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Allowances and total earnings: It is a special consideration for the employer to add with the salary for instance, travel allowance, accommodation and other benefits and the gross including everything above is considered as the total earnings of the employees (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Total remuneration: is the total of all kind of financial rewards which must be ensured by the employer in order to get the people stay (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Job evaluation: is a process of evaluating the responsibilities including in the job. In Finland, it is not widely described and publishable but it has a considerable factor in the organization to differentiate the job and their evaluation (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Market rate analysis along with grade and pay structure: It's an important job to do in Finland to follow the market rate which is constantly changing (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Performance management: helps the manager to understand the quality of the employees and how much they can contribute. There are different kind of performance measurement system depending on the organizational own policy.

Non-Financial rewards: Employees are not only entitled to be paid in every circumstance. There are so many things to offer to the employees, such as training, education, recognition and career development opportunities (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Total reward: It's a combination of financial and non-financial benefits that are assured for the employees from the management. The following graph

is clarifying in a structured way how the rewards are being offered to the employees (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

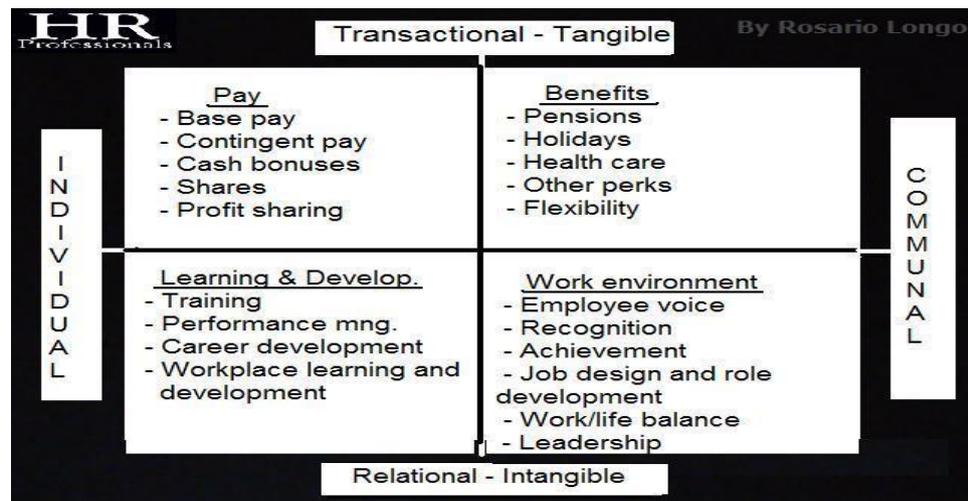


Figure 6 Total rewards and its components (Longo, 2011)

Work environment matters more than anything else in Finland. All the SMEs are recommended to maintain the working environment as per the employees. Finns are the people with comfort and flexibility at the work place without any extra work load. To keep in consideration that, Payment is done according to the collective agreement law, benefits are to be ensured compulsorily, learning and the development is the part of work, whereas work environment is the management quality of the organizations. Therefore, paying more effort on maintaining work environment in the perspective of Finnish requirement does the people to stay for a enterprise longer (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

2.3.3 Establishing job values and relativities

It's one of the important process in reward management. There should be a job evaluation process for defining the relative worth or size of jobs within an organization to establish internal relativities. It helps to design the job, equitable job grade and making a pay structure. To retain the people for the enterprise, it is important to show them all kind of possibilities considered for maintaining a job evaluation (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

A job evaluation has the following objectives:

- To maintain relative value or the job design to get all kind of internal relativities based on fair and consistent judgements (Armstrong, 2017, pp. 2-32, 118-140, 153-167).
- To keep in a track of equitability and pay structure, there are more updated information required which is done through an official job evaluation process (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

- To ensure the grading a job and bring it into a structure for making a constructive decision to integrate the human resource development strategies (Armstrong, 2017, pp. 2-32, 118-140, 153-167).
- To be transparent in job market comparison and evaluations which is critically crucial in Finland (Armstrong, 2017, pp. 2-32, 118-140, 153-167).
- To make sure that, the enterprise can meet all the requirements in Finland according to the labour market situation (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

Job evaluation and its relative features to have some of the contents that have a huge impact on employee retention in SMEs. Since factual evidence, job size and other characteristics of the job is determined on the from the job market. The information which is collected to determine the size of the job and its characteristics, it is always recommended to get the information analysed on a proper way. It also helps to get competitive advantages from the context of getting talents for the enterprises. For instance, an employer can offer little higher compared to the other same kind of enterprises, to create more attractive field of work to the job hunter. The job evaluation must include the judgemental possibility which is more concerned about the transparency. It must bring all kind of possible insights in front of the employees so that they can make their own judgment on the job. On the other hand, the enterprise can understand the actual way of job evaluation by analysing the employees' judgements. It helps to eliminate the conflicts in the enterprise.

Every enterprise must ensure that they are really concerned about the job evaluation. The employees with skills must be given what they deserve but to be clear that the employee is not taking any advantages from the job. In overall process of job evaluation and maintain a graded and structured, well designed job, the enterprises should be more concerned and this will let the people think of the organization with their own judgment process (Armstrong, 2017, pp. 2-32, 118-140, 153-167).

2.3.4 Employee retention top strategies and application procedures

Getting the people into work is the main objective of employee retention. Above elements are the consideration from the top management to maintain an employee retention program quite smoothly. Based on the analytical information brought down to the manuals, there are some constructive and productive strategies can be taken place while adapting an employee retention plan. The strategies and their application will help to understand SME about the values of the people or talents for the organization.

Strategy 1 (competitive working environment): Working environment is the most crucial judgement in Finnish job market. It pays a lot while people

have negative judgement on the work environment and deny working. For instance, working in cleaning sector has been experiencing this problem last couple of years. Cleaning and servicing companies are not being able to provide relatively comfortable working environment. They have been reducing the working hours day by day to avoid their higher operating cost and compete with other companies, the result is discouraging many people not to work. Therefore, it must be remembered that without maintaining a fair and sound working environment, no enterprise can expect people to work for their firm (Mondaq, 2011).

Application procedure 1: Working environment can be maintained by observing the labour market and competitors' movements. There should be a little concern on finding what the people want from their working place, because working environment impacts on the employee performance. Sufficient information about the competitors' strategy and a short survey of analysing individuals' demand of the work environment can help the SMEs to be successful in retaining employees.

Strategy 2 (Communication): Effective communication is very strong tool for retaining people. It does not cost much to maintain an effective communication now days. SMEs can be instructed to build up a communication in an efficient way.

Application procedure 2: There different kind easy affordable tools that can be used for establishing communication. Skype, WhatsApp, LinkedIn and many more, are the currently popular tools used privately and professionally, they have a big impact on the communication. People have the chance to reach each other in one click.

Strategy 3 (Recognition and performance appraisal): The people have the tendency to be noticed with their performance which is very important for retaining people and making them loyal for the organization. The managers should be concerned about the people involved in the organization, praise them for their good performance and keep them above the priority. The performance must be monitored in time for making the performer special for the company.

Application procedure 3: Developing a routine or an instant performance measurement practice can be the best way to establish it in the firm. For instance, a supervisor notice that an employee is performing his or her job with full of effort and sincerity, Supervisor does not need for a good moment to praise the performance immediately just saying ``well done`` does not cost anything but make the employee happy. Annual or a periodic official performance measurement program can be announced, such as pre-Christmas party to say thanks to the employees.

Strategy 4 (Proper reward management practice): Reward management must be practiced in a proper way to maintain the people. Logical and

structured payment system, all the other financial and non-financial benefits assurance must be established properly.

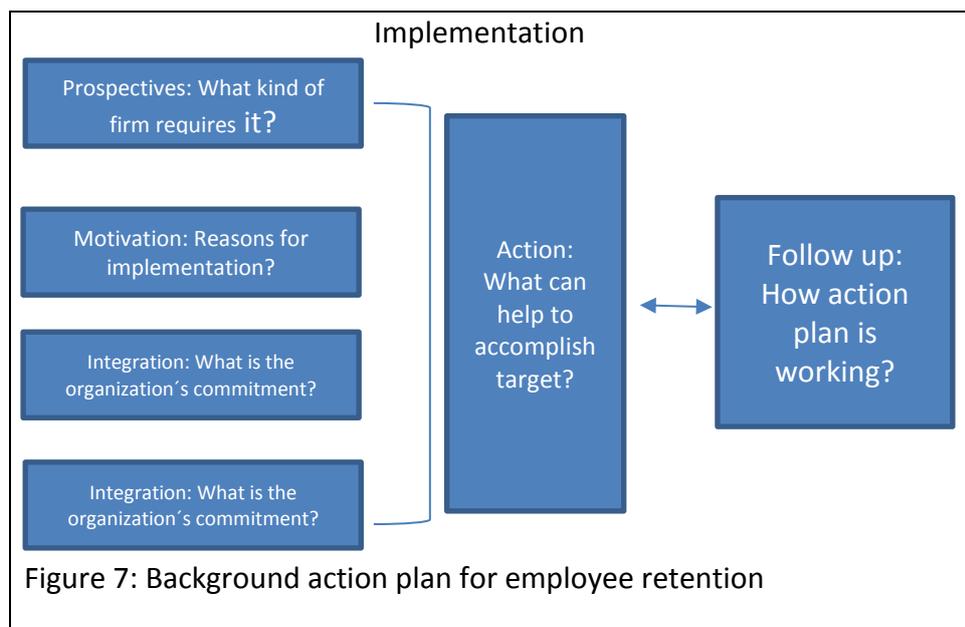
Application procedure 4: To make this strategy worked, it is just an important thing to follow the labour union law, and make a collective agreement. An employer can collect the necessary information relating to the payment, and competitors reward management practice to establish this practice in own organization.

Strategy 5 (Employment support and compensation): People expect some basic support such as Job security, sufficient equipment and tools, career development and the feeling that the company is after them for any happening. They should be ensured all the compensation as per the Company policy (Mondaq, 2011).

Application procedure 5: Collecting and analysing information from the job market and the demand of the job hunters can be the way of applying the strategy to establish employment support and ensuring the compensation.

2.4 The framework: Background actions plan of the employee retention

If the action plan concerned for the future use of the employee retention techniques, there should be a logical implementation of the manuals in the SMEs. The idea is to make it affordable and adaptable to the firms. There are so many cases around of failing the actions plan, the fact is, and succession is totally different phenomenon which is entirely depending on internal and external environment of the organizations. There might be the best techniques found for the implementation, however the techniques brought to this research can be suitable to implement for the many small and medium sized enterprises in Finland. There are no good outcomes found until the manuals is implemented properly and follow up is practiced. The following graph can be the master action plan for the implementation.



2.4.1 Prospective of employee retention manuals

Employee retention manual is to be used in the SMEs with a proper action plan and its implementation. The first thing is to consider whether the retaining employee is important for the firm or not. There are many firms with different kind of strategy whereas their focus on the employee turnover is not seen. There are many firms with the adaptation of automation in their operation. They avoid putting more effort on the employee retention rather they are investing onto the automation system. The manuals are effective at the organization with human resources involvement. Before implementing an action plan for employee retention, the firm must confirm their intention and their position in the current situation. There are some additional facts to be considered while implementing it, whether it makes sense to do? In case the company has been experiencing low employee turnover for years. In the perspective of Finnish firms, most of the firms are required to show their concerned-on employee retention. Eligibilities to be the prospective users of the manuals in SMEs.

- The firms with human resources based operations; such as the restaurants, fast foods companies, cleaning and other servicing companies, specialized know-how oriented firms, specific Project oriented firms and other service oriented with people direct involvement.
- The firms that are experiencing high employee turnover cost.
- The firms with long term vision for their operation expansion.
- The firms with concern of human resources development.

- The firms having sustainable future for their operation.
- The firms that are trying to avoid any dysfunction in the firms' operation in the future or at the pick time of the firm's succession.

2.4.2 Motivation

Implementation of the employee retention manuals is the willingness of the firms. It does not necessarily mean to implement it by acquiring a costly method. Employee retention is a part of organizational necessity. It has somehow a big impact on the operation of the firms. The reasonable thing is to have that kind of motivation to implement an action plan for retaining employees with a retention manuals. There are several reasons for the implementation that should be logical enough officially and there should be a managerial acceptance of it for the firms. Where there is a good motive of employee retention, there is an always need of a structured formulation of some techniques and this research objective is to make it happen by integrating various effective tools and techniques together. To get it more practically, an organization is to answer some of the basic questions and their answers will determine the whether the organization needs an employee retention program to be developed.

- Why an organization need an employee retention plan?
- How does an organization define advantages and disadvantages of employee retention plan?
- How much does it cost for implementation an employee retention strategic plan? Whether implementation cost is higher than the employee turnover?
- How much improvement in employee retention be expected?

2.4.3 Engagement and Organizational commitment

Organizations must go through their position from the management perspective. To get any strategic plan implemented, it is required to have a clear intention of organizational involvement for the project. If the engagement concern, the firms should be a step forward to show their engagement and full commitment to adapt a plan and ready for implementation of the action plan. Employee retention strategies and its success entirely dependent on organizational commitment itself. At this point, there are few question to be answered:

- What are the things to be in commitment?
- Why full engagement and commitment necessary for implementing action plan?
- What more could be expected from the commitment?

2.4.4 SWOT Analysis

Before getting an effective employee, retention manuals implemented, it is important to analyse organizational internal strengths and weaknesses at the same time external opportunities and threats. Internal strengths could bring the following:

- What competitive advantages does the Company have?
- What is the financial status of the firm?
- What is the firm best at?
- How outsiders see the firms?
- How much Brand image value a firm has?
- How about the productivity rate?

Weakness can be measured by the following questioning and their answers:

- What are the things an organization bad at inside the firm?
- What is the cost that a firm is unable to control?
- How are internal conflicts between the manager and employees?
- How bad the firm in maintaining productivity?
- What are the internal debts the firms are in trouble?

External opportunities can be seen by analysing:

- What are the potential market opportunities can the firm enjoy in future?
- How future invention of technology can gear up the firm in future?
- Firms are able to cope up with upcoming political changes.
- Firms have low risks from the critical decision of labour market.

External threats can be analysed:

- Whether the automation system is affecting the existence of the firm?
- Government critical decision has the negative impact on the operation of the firm.
- Is there any growing competitors treats in the market?
- Changing of climate and its impact n current business operation.
- Migration of domestic talents to another country.

2.4.5 Actions plan and follow up for the application of the manuals

After analysing the above facts, there should be decision from the management to make a blueprint for the employee retention manuals. It depends on the nature of the organization. Theoretical explanation in the manuals can differ while applied in real. Action plan must be designed in accordance with the necessity of retention and the capability of the firm. If the firm is operated with two hundred people, there must be more focus on the total reward management. They need to bring all the possible aspects from reward management. If the firm is moreover operated by specialist, it is extremely important to focus on the financial matter and the competitors' movement and their strategy for the highly skilled people. The external information could be the helpful tool for the management to retain highly skilled people. A firm with twenty people can make a recognition on the employees and focus more on the personal demands of the employees. Performance appraisal for the small number of employees can be the best action plan. For instance, a restaurant with twenty employees can focus on the pay, shifts, small possible allowances, a job security and performance appraisal with recognition can help more than anything to retain employees.

The most important task in implementation of retention manuals is to do the regular follow-up. Follow-up on the action plan and the implementation will help the manager to understand whether the plan is in track or not. What are the benefits firm is getting from the application of manuals? If there is some unexpected thing happening, follow-up will guide the management to change or modify the plan frequently? Follow-up can warn the manager to avoid unnecessary or less effective decision.

3 CASE STUDIES

As per the literature reviews, the main concern about the employee retention manuals are size of the firm and their activities. Employee retention manuals cannot be applied at the same way in every kind of organization. In larger firms, they integrate all the departments' decision together to get a better solution. They maintain their human resource department separately, that cannot be affordable especially to the small sized firms. Generally, in small firms and their employees take care all of their issues at a time which is rarely seen in larger firms.

The retention plan takes place properly when the proper problems found due to employee turnover. There might be a necessity of having the solutions of getting people into work. Large firms need to allocate more time as long as they need to figure out so many things. On the other hand it is quite easy to understand for the SMEs, whether they are going to need the people for them for a longer time.

In the perspective of Finland, SMEs are the mostly employee oriented although there are majority of the firms that are turning into automation, but still human resources play the most crucial role in terms of smooth operation. There are several reasons for putting an extra effort for retaining employees, one of the most common reason of having insufficient human resources, as the population growth is freeze for many years and the skilled people are getting retired but the new generation is not being raised in a same ratio. There is a specific case Company has been considered to be observed and studied, and the situation also been observed around of other same categorized Company.

3.1 Case: S&R Duo and employee retention

The case company S&R Duo is the first to implement an employee retention action plan. As long as the company is intending to expand their business operation, it is now high time to retain the employees who have been considered as the key personnel to the company. The company is currently working with thirteen individuals whereas there is a formal Manager who takes care of recruiting people and train them to make them capable to work. The company might be able to focus on the allowances schemes such as performance bonus, paid holidays packaged with travel costs and some of instant performance appraisal package which is done instantly. The company manager has informed during the interview that, their most faced challenge since the company formed is excessive employee turnover. They had to spend 20% extra of their annual wage which is huge in an amount and deducted from the owner annual income. Whereas the company pays wage around 210000 in an average annually.

3.1.1 Company analysis along with their activities

S&R Duo is considered to be a small company with maximum of fifteen people's involvement listing the owner as the company is formed on the basis of sole proprietorship. The company is operating two franchising chain of Finnish renowned brand Kotipizza and Rolls burger in two different city. The sales revenue of the company is 0.9 Million euro annually. Since the formation of the company, their employees are continuing their job for not more than five months in average. It means their employee turnover rate is quite high which is necessary to be reduced.

As the company's main activity is to sell fast food and customer services, and it takes around 4-5 months to train up an employee to get him or her prepared for work. If their employees' average stay is five months then, the company can get complete productivity from the employees is for one or two months which is significantly less in this kind of firm. According to the manager, they are expecting employees to work at least for a year in average which is quite resendable for the company.

The manager said, they are maintaining proper reward management, and offering employees some extra allowance, such as travel allowance for those who are working more than 160 hours. There is an official performance bonus which is paid to all the employees at the end of summer. Holidays full packaged is paid to the employees. Part time employees are also entitled to be qualified for performance bonus. Wage is paid according to the collective agreement. All the basic criteria is fulfilled in the company, they have found one common reason is, most of the job hunters from the fields are youngster, and they cannot commit to their job and compromise with their career. They have been designing their work environment in more effective and flexible way to attract the employees and get them into work for a sufficient time. The implementation of this employee retention manuals might be able to reduce the employee turnover.

3.1.2 SWOT analysis of the case company

Strengths: The Company has the following strengths that can be explainable enough that there is a job security and help develop career in this field.

- Good location (one is in heart of Tampere city which is in Hervanta, and the other one in Lempäälä city center) both of the places are easy to reach for both the customers and employees.
- Strong Brand image of Kotipizza and rolls Burger, as both are originated in Finland.
- Loyal customers
- Effective marketing and development done by Kotipizza's own marketing department national wise.
- Quality of the product assurance and monitoring.
- Low risk due to strong Brand image.
- The best fast-food raw materials with quality guarantee.

Opportunities: There are so much of potentiality of the Company in this field of business.

- Sales increases every year, and possibility of business expansion.

- Easy transportation facilities to reach both of places of the Company.
- Fast food market is growing rapidly which is ensuring career development opportunities.
- Most competitive advantages of the Company being a part of renowned Brand.

Threats: There are few problems that make the company's mission down.

- Being easy to open fast-food Company, competition is increasing.
- Customers are becoming more economy
- If the recession strikes the national economy of Finland in future.

3.1.3 Adaptation of strategies for employee retention

The company is willing to adapt the strategy for their employee retention in a simple and easy way. Employee retention is important but can be costly to implement any programs and even there is a risk of adaption of critical strategies, In case more people leave the job at the same time. Therefore, idea from the manager is to adapt the basic things of the manuals that can be implemented easily. There will not be any separate project plan for adaption of employee retention action plan, rather they will impose their thoughts from the manuals right away.

3.1.4 Approaching with analytical and effective tools

The company will approach to use the tools and techniques step by step in order to avoid any mess with the existing employees. The manager will approach each of the employee to know their intension whether they are happy with their current job or not, whether they need anything from the company.

The reward management system can be reviewed in every year whether the company is up to the system or not. There is another possibility to announce their performance bonus plan at the beginning of the year to motivate the employees. The employees can be awarded some non-financial incentive such as movie ticket, computer, holiday trip cost, and travel family insurance package from the company. The company can increase salary of the employees periodically. The company has already decided to ask the schedule from the employees in order to ensure the working hours flexibility.

3.1.5 Solutions to the problems

The major problems regarding the application of the employee retention plan in S&R Duo is to understand the psychology of the employees. The S&R Duo is to understand the reason of employee turnover such as:

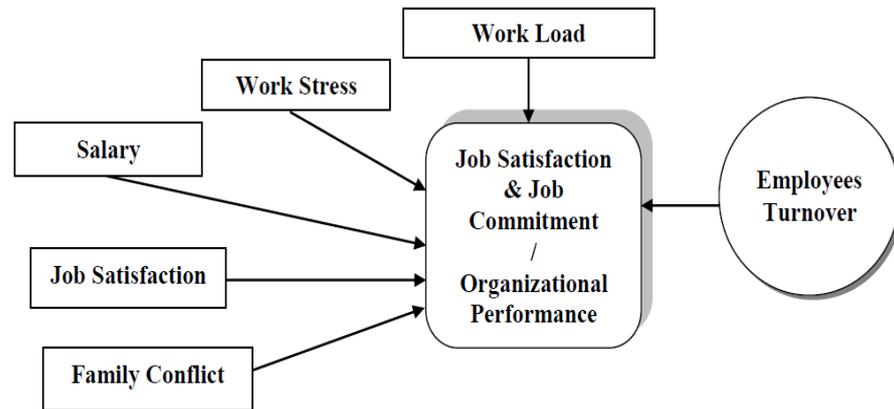


Figure 8 Reason for employee turnover

Sometimes, it is quite surprising that, employee leave the job without showing any reason. Keeping records of the employees regarding their date of joining, resignation, holidays, reward systems in excel can be helpful to calculate the actual turnover rate and the cost related to the turnover.

Employee group	Attributes	% of all employees
Stayers	Not likely to leave in the next two years <i>Would prefer to remain with their organizations even if a comparable opportunity arises</i>	45%
Soft Stays	Not likely to leave in the next two years <i>Would not prefer to remain if a comparable opportunity arises</i>	28%
At Risk	Are likely to leave in the next two years <i>Would like to remain with their organizations even if a comparable opportunity arises</i>	9%
Leavers	Are likely to leave within the next two years <i>Would not prefer to remain if a comparable opportunity arises</i>	18%

Figure 9 Employees nature analysis

The above way can be the standard of understanding the employees and their intension. An Excel analytical tool can be brought down these numerical data from the employee records. The data in Excel should be

customized according to the number of employees and the result should look at least few percentages of the following tool from VISIER solutions.

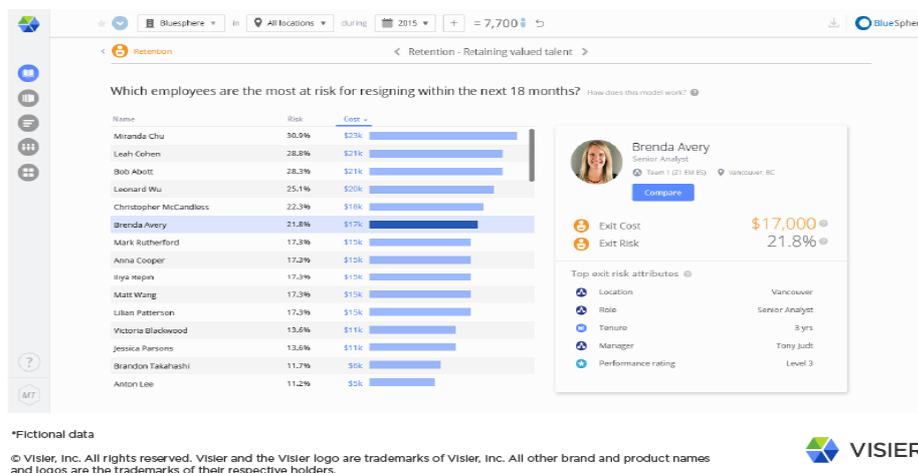


Figure 10 Visier solutions of workforces

There is another problem in Finland, that individuals take the advantages of their freedom of choice, the company sometimes experienced that, the employee is not aware of their plan, what they are going to do? There might be a one straight cut solution is to establishment an honest communication with the employees.

4 CONCLUSIONS AND FINDINGS

Employee retention is one of the hot issues in almost every organization. Where there is no people there is no work done. Employees are the key resources to the firms. The companies have their own vision and so many objectives to be achieved. All the phenomenon regarding the vision, mission, and goals of the company are completely depending on the individuals' performances who are actively involved in the company. Employee retention has become a biggest challenge for the SMEs all over the globe. The reason is, there are millions skilled people around, millions of industries and organizations, people have choices in their professional life. They become the most achievable objective of the companies.

It is not that difficult for the renowned companies to retain their people and attract the talents but when issues come to the SMEs, especially the small size of firms with more human resources oriented are the victims of the challenge. The framework and literature brought to this research are the critical and effective manuals to be used in the SMEs to get most of the advantages of retaining people. There is a big failure of the plan when

implemented the framework wrongly and there is a trace of ignorance while applied the tools to reach the goals of retaining people.

From the whole literature of the research, there is a basic discussion of the problems. The case company is instructed with the framework of this research which is created to help the SMEs, and particularly the case company S&R Duo. The effective result can be expected from the implementation of the action plan in case, it is implemented properly. The idea is to make it happen and the case and other SMEs get most of the benefits from these manuals which brings all the possible understandable aspects in the research.

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APPENDICES

Appendix 1

Interview

Esimies; Sushila kandel on 15.07.2017

S&R Duo (Franchisee of Kotipizza and Rolls Bugar)

Background information of the company

What is the history of the company?

How does the Company function?

What is the financial situation of the Company?

What do you expect from this research?

What is the vision of the Company?

Employees

How many employees do you have at the moment?

What are the challenges to retain employees?

What do you do for employee retention? Or do you use any tool or techniques?

What kind of employees do you prefer for your Company?

How do you hire people?

What are the things in your Company that attract most the potential employees?

Competition

What are the major competitors of your Company?

How do you treat your competitors?

Strategies

What is the main strategy for growth of the Company?