HR as a Competitive Factor. The change in companies due to to-day's globalisation

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Globalisation is a fast-growing trend. It seems grow and spread fast and thus it now affects life in many aspects. It is thus normal to affect business as well. Companies are becoming more international than ever and it is common for many companies to have great diversity in the workforce, in every sense, but this paper is going to refer to cultural diversity.

The purpose of this research is to examine the changes that have occurred in the Human Resource Department (HRD) due to globalisation, in the last decades, as well as analyse the importance of the specific department, in terms of how it affects the business and how HR managers deal with situations occurred while working with a diverse workforce.

The theoretical part will provide a brief overview of HR in general and its objectives, discuss the role of the specific department, as well as globalisation. The next section will present the results and the analysis of the research conducted by the author of this paper. The results are based on secondary data gathered with qualitative research, interviews that the author conducted. The researched interviewed three people with managerial roles in the HR department of big companies and 5 people working in smaller start-ups.

The findings of the research show that globalisation has affected many companies, having a diverse workforce is now more common than ever, thus there is more appreciation for the HR department than before. Of course, it is important to know how to deal with situation, but cultural diversity is not the only thing that make the HR department valuable.

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1   Introduction

The purpose of this thesis is to study the business environment nowadays, in terms of the personnel that companies seem to prefer and hire. Has the importance of the Human Resources Department (HRD) changed over the years? Do companies with a diverse workforce succeed and have better results than others? Do companies value the HR department more now? Because of globalisation a lot of things have changed in the world of business and diversity in a company seems to be essential. Thus, there is a need for adaptation and good managerial skills in order to be able to manage it to be beneficial for the company as there are advantages and disadvantages that diverse workforce can bring in the company. International Human Resource Management (IHRM) has now a more vital role in business than ever before. This thesis will be a study on several companies, mostly bigger ones but start-ups as well to see how they value their HRD, how it has changed over the years and how the HRD deal with situations. The research will provide information on how a diverse workforce affects a company and how managers deal with today's changes. The results were taken from interviews the researcher conducted both in Finland and in Greece.

1.1   Structure

INTRODUCTION

THEORY

METHODOLOGY

RESULTS AND ANALYSIS

CONCLUSION AND DISCUSSION

The first chapter gives general background information on Human Resource Management, the importance and the value of it for a company. Then globalisation and how it has affected business nowadays is being analysed. After that, we talk about Helsinki and Finland in general as an international city as well as Greece, and finally we have the data gathered from the research together with some analysis.

2   The concept of Human Resources

Human resources are the organisation's people, the workforce of it, any person that is part of a company and contributes to it. Human Resources is also the organizational function that deals with the people and issues related to people such as compensation, financial or not, hiring, performance management, training etc. Nowadays it is seen more and more as an asset to the company and thus its role has been changing a lot. There is a whole concept of what HR and HRM really means and in the paragraphs below we will see that concept, the objectives and all related to HR in detail.

2.1   Human Resource Management

Generally, Human Resource Management (HRM) is the process an organisation undergoes in order to manage those people and to achieve its goals. The fundamental objective of human resource is to make certain that every aspect of the organisation, employment, motivation, and management of people is in line with the strategic objectives of the business so that it contributes to the successful achievement of those objectives (A.M. Sarma, 2008). Cultural issues have to also be taken into account by the HR organisation, so that the corporate culture that the company wants to create can be developed or reinforced.

Human Resource Management (HRM) is a strategic approach that each company has, in order to motivate, develop and manage the organisation's human resources. HRM is a specialised

field that focuses on developing some policies, activities or programmes to endorse the satisfaction of both employee but also organisational needs, goals and objectives. The whole concept of HRM is focused on creating an appropriate corporate culture, which will ensure a nice working environment that will support the values of the enterprise and thus this will lead to the subsequent success of the company.

In order for a HRM department to be successful it is necessary to always explore what more needs to be done for improvement and then put it into practice. This could be dealing with problems that might arise between the employees, recruiting new people or train existing ones. The techniques for the right application of HRM might include some functions of personnel managers, such as manpower planning, which means putting the right number of people, with the right capabilities, at the right place and time in order to make sure that the right tasks will be completed for a specific goal of the organisation to be achieved, others could be performance appraisal, salary administration, training and management development (A.M. Sarma, 2008). Compensation is a task for the HRM department to take care of. In order to maintain an effective and efficient workforce, company benefits are needed, such as vacations, personal leave or health insurance. Human resources management is also involved with non-financial compensation. Creating a friendly working environment satisfying for the employees is one of those. There can also be programmes created to improve communication systems between the employees and the managers, commitment, and productivity.

2.1.1 Effective HRM department

In order for a HRM department to be successful it is necessary to always explore what more needs to be done for improvement and then put it into practice. This could be dealing with problems that might arise between the employees, recruiting new people or train the already existing ones. There are different techniques for the right application of HRM and these might include some functions of personnel managers, such as manpower planning, meaning putting the right number of people, with the right capabilities, at the right place and time in order to make sure that the right tasks will be completed for a specific goal of the organisation to be achieved. Others could be performance appraisal, salary administration, training and management development (A.M. Sarma, 2008).

Another task for the HRM department to take care of is compensation. In order to maintain an effective and efficient workforce, company benefits are needed. Every employee needs something to motivate them, so benefits such as vacations, personal leave or health insurance are needed. Human resources management is also involved with non-financial compensation. Creating a friendly working environment satisfying for the employees is one of those. There can also be programmes created to improve communication systems between the employees and the managers, commitment, and productivity (A.M. Sarma, 2008).

2.1.2 The importance of HRM department

HRM is of high importance in a firm as it is concerned not only with the job structure in a firm as many might think, but also with all the employment practices that are needed to be implemented to carry out the work. Many people might think that HRM is simply about HR or people practices, but the role of it is a lot more important, it is about the management of both work and people in the firm (A.M. Sarma, 2008).

Roughly, there are three meanings attached to the concept of HRM. Firstly, it is about the persons working in organisations considered as a valuable source, as an asset to the company, so that implies that there is a need to invest time and effort in the development of them. Secondly, they are human resources which means that they have their own special characteristics and, therefore, cannot be treated like material resources, which highlights again the importance of investing for their development. This approach focuses on the need to humanise organisational life and introduce human values in the organisation. And lastly, human resources do not merely focus on employees as individuals, but also on other units and processes in the organisation. These could include the specific role or the job that each person is in charge of in the organisation, the different teams in which people work, the inter-team processes, and the entity of the whole organisation (Lalitha Balakrishnan, and S. Srividhya, 2007).

Specifically, HRM is all about the qualitative improvement of human beings who are considered the most valuable assets of an organisation, the sources, resources, and end-users of all products and services (A.M. Sarma, 2008). HRM is also more comprehensive and deeper than simply training and development. It is a scientific process of continuously enabling the employees to improve their competencies and capabilities, to be ready for future roles that they might be expected to take, so that the goals of the organisation are achieved but also the needs of the employees are also met to an adequate extent.

2.2 Objectives of HRM

According to Sharma (2008) the primary objective of HRM is to ensure the availability of competent and willing workforce to an organisation. Of course, except for this, there are other objectives too. Specifically, HRM objectives are four-fold and they will be shortly explained below. These four are: societal, organisational, functional and personal (See Table 2).

The societal objectives of HRM are regarded to the social and ethical obligations of the organisation towards the society and making sure that they are being fulfilled. If an organisation fails to use their human resources in a way that will benefit the society, this will likely lead to societal concerns.

Next, we have the organisational objectives, which are about managing the human resources in a way that will bring organisational effectiveness. Besides, HRM is there to assist an organisation and contribute to its primary objectives.

Now, the functional objectives are about making sure and maintaining the contribution of the HR department in an extent that would fit the needs of the organisation. HR needs to be specific to suit the demands of the organisation.

Lastly, the personal objectives of the HRM is about assisting the employees to achieve their personal goals, since these goals will enhance the contribution of each individual to the company. Besides HR is an asset to the company and it is the employees that make the company. The personal objectives of the employees must be achieved in order to keep them motivated. Otherwise the performance of them might decline and cause the leave of the employee. (A.M. Sarma, 2008)

See Table 1 for more details.

Table 2

Table 1

HRM Objectives and Functions

HRM Objectives	Supporting Functions
1. Societal Objectives	1. Legal compliance 2. Benefits 3. Union-management relations
2. Organisational Objectives	1. Human resource planning 2. Employee relations 3. Selection 4. Training and development 5. Appraisal 6. Placement 7. Assessment
3. Functional Objectives	1. Appraisal 2. Placement 3. Assessment
4. Personal Objectives	1. Training and development 2. Appraisal 3. Placement 4. Compensation 5. Assessment

Source: William B. Werther, Jr. and Keith Davis, *Human Resources and Personnel Management,* p. 15.

3   Differences between Personnel Management and Human Resource Management

Quite many people tend to relate personnel management and HRM but HRM is more of a production model approach to personnel management, meaning that it is a lot more than that. Legge (1989), an HR expert, reviewed the definition of different writers. She came to conclude that there are three features that seem to distinguish HRM and personnel management. The three differences will be analysed below. Firstly, Personnel Management appears to be an activity aimed primarily to non-managers whereas HRM is certainly concerned more with managerial staff (Guest,1990 and Legge,1989). More specifically personnel management is being performed on assistants by managers, but it is not something that managers get to experience themselves. It is just a set of rules that they put into practice. On the other hand, Human Resource Management is not only highlighting the importance of employee development, but it also focuses on the development of the management team.

The second is that both Personnel Management and Human Resource Management underline the role of line management, but the focus is different (Guest, 1990, 1987). HRM is much more of a joined line management activity, whereas personnel management seeks to influence line management. In the Personnel Management model, line's role is very much an appearance of the observation that all managers manage people (Storey, 1989) while in the HRM model, HRM is vested in line management as business managers are responsible for coordinating and directing all resources in the business unit to pursuit of bottom-line result (Legge and Storey 1987, and Guest, 1990).

The third difference is that most of the times HRM models put the management of the organization's culture as the central and major activity for senior management (Storey, 1989 and Guest, 1987), while Personnel Management has always been more about the organisational's development and the benefits of it.

For more differences see the table below:

Table 2

Table 2

PERSONNEL MANAGEMENT (PM)	HUMAN RESOURCE MANAGEMENT (HRM)
Management of people employed	Management of the employee's skills, talents, knowledge etc.
Workforce centered	Resource centered. Employees are valued and seen as resources.
Focuses on goal achievement	Focuses on employee satisfaction and goal achievement

Reactive	Proactive

4 Globalisation and Human Resources

With the burst of the mega-trend of globalisation and the continuously increasing number of companies that go global, global teams and international workforce have been reinforced, making it vital for a company to have successful practices of managing it. Moreover, in this everyday changing world, there is always the need for studying in order to get updated, and have a better market understanding as well as to catch up with current market demands and be able to deal with how business evolves. Globalisation has also created a bigger need to learn how to manage an international workforce and use this global team of the company as an asset for it and not as the opposite as many might perceive it. Managing an international personnel and international assignments can be such a challenge for the HR department and the managers as it requires a lot of knowledge and understanding on diversity management as well as on international business environment.

4.1 Definition of Globalisation

Let's start with the definition of Globalisation. So, what is globalisation? Globalisation can be defined as the way that world trade, culture and technologies have become rapidly integrated over the last 20 years or so. Even though in the past, globalisation was primarily focused on the economics of trade and similar, nowadays it has expanded to also pertain to the areas of culture, technology and environment. The world economy seems to depend to some extent, at least, on a new breed of workers, namely ''knowledge workers'', that will enable the company to meet demands for labour, that have been brought by globalization (Global Knowledge Workers, 2007). According to the same book, the concept of ''global knowledge workers'' represents unlimited (global) mobility and availability for ''the right knowledge-based work assignment, when and where needed''.

The megatrend of globalisation in business has resulted in the increasing recognition of the value of a well-managed workforce and the evolution of the human resource function from being viewed as a support function to one of strategic importance (Pucik, 1992; Teagarden and Von Glinow, 1997; Scullion and Starkey, 2000). Besides, it is the employees that make the company. A corporation cannot succeed if the workforce of it is not well managed, visionary and satisfied with the working environment. The shift in focus from a domestic to a global

business perspective has a profound impact on the corporate human resources management activities (Dowling et al., 1999). International human resource management (IHRM) is now becoming a topic that can't be neglected because of the relentless pace of globalisation.

In reality, there are dozens of companies that struggle with managing their diverse workforce but there are others as well that use their international teams as an asset and know how to benefit from it. "The thinking goes that a diverse workforce would create the opposite and more desirable environment of more innovation, more outside-the-box thinking and better governance", according to Wall Street Journal (2017).

4.2   How Globalisation has affected the workforce

Workforce diversity is increasing, in the U.S. but also internationally, and it is increasingly important to organizational success (Cox, 2001; Mor Barak, 2005; Triandis, 2003). Due to globalization, international workforces are much more common, and workplaces have become more diverse than ever before (Haq, 2004). In contrast with previous generations, today's workforce is more heterogeneous in terms of many social categories, as explained in diversity earlier, and research suggests that this trend will continue into the future (Judy & D'Amico, 1997).

As we also mentioned in the introduction, in order for a company to succeed in the global economy today, it is vital to turn to a geographically dispersed workforce. Companies build teams with the best expertise from all around the world, together with good local knowledge of the most promising and sometimes untapped markets. They are creating international diversity with bringing together employees from many different cultures but also with varied work experiences from different countries so that they have different perspectives on organizational challenges and how to strategically deal with them. This is usually a solution for a multinational company to compete in current business environment which is rather competitive. Later we will also discuss how this makes globalisation and diversity a two - way benefit, both for the company and the employee.

Numerous authors argue that innovation and creativity can be enhanced by diversity due to differences in experience, knowledge and abilities (e.g. Cox, 1991; Jackson et al., 1992; Adler, 1997; Friday and Friday, 2003).

According to Ruth Mayhew, SPHR-certified Human Resources Consultant and HR/Business Writer, workplace diversity fosters mutual respect among employees. Whether employees work in groups or teams including co-workers with varied work styles, or colleagues who represent different cultures or even generations, a synergistic work environment becomes the norm. A peaceful atmosphere with no conflicts may be not easy to achieve, employees nevertheless recognize the many strengths and talents that diversity brings to the workplace and they gain respect for their colleagues' performance.

While workplace diversity has been shown to have both positive and negative effects (e.g., Guzzo & Dickson, 1996; Milliken & Martins, 1996), scholars agree that effective leadership and management are vital to leveraging the benefits of workplace diversity (Cox, 1991; Stockdale & Cao, 2004; Dahm, Willems, Ivancevich, & Graves, 2009). As seen previously, diversity can be used as a positive force for the company, if there is effective management and understanding of it. Effectively managing diversity leads to a number of organizational advantages, including greater inclusiveness, increased creativity and innovation, better decision-making capabilities, and, ultimately, performance gains (van Knippenberg & Schippers, 2007).

With a view for a company to have an effective diverse team, there is a greater need for good managers and thus good IHRM department. Besides, the field of management is constantly changing and evolving, and with it new ideas about how best to manage organizations and employees are emerging (Adler, 1997).

4.3   Globalisation and diversity as a two-way benefit

On another note, as a consequence of this megatrend of Globalisation, employees from various companies get to travel a lot. By that, we do not refer just to short business trips, but sometimes people get to spend a longer period of time in another country, like months or even years. Of course, this works as a benefit, as it means that they gain unique experiences and knowledge that they could not have acquired otherwise. Besides, they have the chance to get involved into new cultures and new working lives as well as ways of dealing with situations in the everyday business life. This helps them improve some specific skills and competences, such as creativity and innovation, but also pursue new ones such as improved problem-solving skills or cultural awareness. Learning new things is definitely something that happens when someone is working abroad and bringing this knowledge back to their hometown is something valuable for the company.

So here it becomes clear why Globalisation and diversity can be seen as a two-way benefit. Both the employees and the company or the organisation get something out of it. As we have seen also previously, having innovative minds in the company will make it survive. Employees get to see the differences between the cultures, they learn how other cultures deal with problems and they become more innovative and open minded.

The importance of workplace diversity cannot be overstated when it comes to a company's or organisation's ability to reach foreign markets. Besides, in such a globalised world it is crucial for the company to very well know a market before tapping it. Thus, having employees who have actually experienced different markets will help the company expand more smoothly and successfully. The appeal of global markets creates two kinds of opportunities for employees: opportunities for promotion and employee development. A global marketplace opens doors for employees with diverse language skills and multicultural understanding to let them build global profit centres. Employees that are interested in learning multinational business strategies and who are available for possible expatriate assignments may also find new and challenging career opportunities. (Ruth Mayhew,2007).

5   HRM in a diverse company

Now when talking about having a diverse workforce is when HRM is needed more than ever. The effective management of an organisation's human resources is vital for the successful implementation of international strategies in multinational companies (MNCs; Bartlett and Ghoshal, 1989). Creating successful work teams is hard even when people are local and with the same cultural background. However, when it comes to people from different countries, and functional backgrounds, making a team together, communication between them can be a huge challenge and cooperation between them might not be successful or deliver positive results. (Tsedal Neeley, Harvard Business Review 2015)

Early international human resource management studies focused mainly on the cultural relativity of human resource management practices, i.e. that the development of a company's Human Resource policies are subject to cultural influences and that MNCs must take these culturally based differences into account when operating overseas (cf. Hofstede, 1980; Laurent, 1986; Schneider and Barsoux, 1997; Adler, 2003).

The IHRM department, which is armed with the results of all the employee assessments and research data, must build a customised strategy which will enable the organisation to get benefited from the effects of diversity in the workplace. (Josh Greenberg, 2004)

However, diversity training alone is not sufficient for an organisation's diversity management plan. There is a need for a strategy to be created and implemented, that will enable to efficient function of every department of the organisation. (Josh Greenberg, 2004)

6   Helsinki and HR in Finnish companies

Talking from my perspective and my own experiences in Finland, since I have lived here for four years now, Helsinki is a pretty international city. You can meet people from all over the world, from young people that came here to study, to older people that moved here for business. I can see that Finland promotes this internationalisation already from their secondary education, allowing people to study in Finnish Universities without paying any tuition fees. This way they develop diversity which continues also in later stages, during the working life of those people. Also, Helsinki has many international companies, with English as their official language, so that way they allow people from all over the world to enter the workforce in Finland.

6.1   Helsinki as an international city

When discussing specifically about Finland there are some statistics to be analysed and commented on. Finland and especially the broader area of Helsinki is becoming more multinational than ever. Having a lot of international companies operating here means that there will be also people from different countries joining those. According to City of Helsinki, the foreigners in Helsinki represent 145 different nationalities. At the turn of the year 1997/1998, 4,5% of the Helsinki population held another nationality than Finnish. The number of foreign nationals in Helsinki today is 23.000, which is three times as many as in the early 1990s.

6.2   Diversity and diverse workforce in Finland

According to Hofstede Insights and the cultural dimensions of each country, Finland scores 59 on Uncertainty Avoidance. "The dimension Uncertainty Avoidance has to do with the way that a society deals with the fact that the future can never be known" as in the research. Countries that exhibit high Uncertainty Avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. In these cultures, there is an emotional need for rules, time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted. The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these is reflected in the score on Uncertainty Avoidance. Countries exhibiting high Uncertainty Avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. (Hofstede Insights, Cultural Dimensions) in individual motivation.

Now there are numerous researches, discussing that and how it can be avoided. According to Karsten Jonsen and Martha Maznevski, one can face uncertainty with workforce diversity. In their research, Jonsen and Maznevski claim that in order to deal with uncertainty, an organisation needs to have access to diverse perspectives and assumptions about how to manage and do business. "Should we focus on short-term results or medium- to long-term ones? Is it better to build stronger relationships with customers and suppliers or outsource parts of our operations to offshore companies? Should we lead by supporting people or directing them? A range of opinions on questions like these triggers the type of dialogue that leads to adaptability."

It is said that people of different nationalities, for example, usually have different assumptions about the causes of the problems thus, they will also have different ideas of how to solve them. For example, in a multinational quality assurance team for a global chemicals manufacturer, a team of German engineers preferred to look at the whole industrial system to determine the cause of a problem, while another team of Americans looked at more immediate causes. (Jonsen and Maznevski, 2007)

Let's take another example again from Jonsen and Maznevski, in the company X, during the past, the teams worked separately and often in conflict with each other. But when the company recently faced serious competition in multiple markets, it knew it had to create better overall approaches to quality assurance and so it brought them together. After a difficult

start, the groups learnt to understand and appreciate their different perspectives. For a new series of manufacturing facilities, they built the most effective and efficient quality assurance systems for the largest scope of situations in the company. Leveraging cultural diversity helped the company find more comprehensive and efficient ways to adapt to uncertainty. (Jonsen and Maznevski, 2007)

6.3 Tieto

I decided to take Tieto as one example for this research paper, as it is a Helsinki based company but pretty international with offices all over the world. Tieto is one of Finland's biggest firms and it is an IT software and service company which provides IT and product engineering services. It is active in more than 20 countries across Europe and has approximately 13,000 employees which makes it one of the largest IT service providers in Europe.

Doing some research on the company I realised Tieto is posting articles concerning diversity in their workforce, in Finland but in other countries as well, such as India. "Tieto believes a wide mix of people, whether of gender, age or cultural background, is needed in order to stay competitive", as they say in their Annual Report of 2016, concerning the sustainability of their company (Tieto, Annual Report, 2016). This is why diversity is a very important part of Tieto's recruitment process but of other Human Resources activities as well. It is one of their values that each and every employee of the company should be treated equally, with respect and dignity and they should all have the same opportunities to develop their skills and careers and get promoted.

As it is their goal to achieve diversity and inclusion in their company, Tieto strives to ensure that management positions are not only hold by males but by females, young professionals and people with different nationalities (Tieto, Annual Report, 2016).

7 Research approach and methodology

Research is defined as "the collection and analysis of data from a sample or census of individuals or organizations relating to their characteristics, behaviours, attitudes, opinions or possessions" (Adams and Brace, 2006). Furthermore, research as we know consists of the primary segment as well as the secondary. Primary research is about the researcher finding data that have never existed in the past, while secondary is about already existing data and reviewing

them. The objective of both those segments though is finding information in order to review them, develop them and possibly find solutions for them (Adams & Brace 2006). The following part will describe the whole procedure, from the research design to the data collection.

7.1 Methodology approach: Qualitative Research

It is crucial for every researcher to choose the right methodology to approach the subject and get answers for their research questions. This is an essential step in order for them to come up with the most reliable result possible and get valid answers and results because this will determine whether or not the research method chosen was the appropriate one. Of course, some literature review is always needed and necessary to be completed before getting to the actual research plan. Both qualitative and quantitative methods are known as data gathering principles. Quantitative method gives to the researcher the opportunity to get results from as many people as possible and you have the opportunity to then compare your results and come up with an outcome. You get a larger sample as you mainly use questionnaires and surveys to get your responses. On the other hand, qualitative method is used to get detailed information from discussions and interviews, you get their reactions, feelings and opinions face to face and you get to understand more and get into deeper content (Adams & Brace 2006).

The research method used in this study is Qualitative research as the researcher wanted to get quality answers from people working in the positions of HR in various companies, but also from employees, working in either small companies where the HR department is not so big, or in big companies with a proper HR department as well as diverse workforce. The researcher conducted couple of interviews with people having the position of Human Resource Manager or recruiter and then some others with employees, mostly former classmates from the University, that now work in big corporations or even start - ups. The interviews were made through skype, or through email with people that would not have time for a skype conversation and would just want to answer the questionnaire that the researcher made. The researcher made two questionnaires, one was sent to people having higher positions in the HR department and the other was sent to employees.

There were some difficulties when conducting this research as the author is not in Finland anymore, and having to conduct interviews with people from Helsinki but also Athens, Greece, was quite a challenge. This required a lot of time and patience. Some people would never return the researcher's call, or even reply to the emails sent. However, the researcher

managed to get some answers and some insights from people working in HR as well as employees of multinational companies.

7.2 Reliability and Validity

Validity is about checking whether the results and findings of the research are what they are supposed to be. On the other hand, reliability, is about the methods used to collect the data and also to analyse those and if the results will be regular and dependable (Saunders and ROjon, 2014). Obviously, there might be some threats here. Reliability faces the threat of some mistakes that might be made, while validity faces the threat of history. Thus, the sources used by the author were double checked before they were added into this specific research. Additionally, for validity and reliability purposes the author chose to conduct a small number of interviews with people that either had a high position in a big company for years, or employees that the researcher would personally know.

7.3 Data collection

Into this research there has been a study in order to examine the case of a Humane Resource Department in a company. The importance of it, if people value it and who are they and whether it has changed throughout the last couple of years with globalisation affecting more and more businesses.

The author and the thesis supervisor, decided that the most effective data collection method for this study is to analyse two different perspectives. Thus, there were two questionnaires, one for Managers and one for employees, in order for the researcher to get the opinions of those two sectors and see HR from two different perspectives. As qualitative research seemed to be more appropriate, interviews were scheduled, as well as some interaction with the interviewees through emails, for those who would not have time to talk face to face or on the phone. So these were the next steps, sending the emails, or contacting via phone calls or even interviews.

Questionnaire

The researcher tried to keep the questionnaire as simple as possible and with a clear content. So, the questions were not too many but the answers they required needed to be consistent and give as much information as possible.

The researcher had to send the questionnaire to the supervisor couple of times as well as test it with some fellow students-workers. Couple of changes needed to be made, as it was not so clear in the beginning, but after couple of weeks, the researcher managed to conduct the interviews and gather the information.

Most people she interviewed gave her quite satisfying answers that would cover her questions fully. As some of the interviews were made on the phone the author could see that the answers were honest, and she got a pretty good feeling and a full picture. There were no misunderstanding as she could give explanations if something was not understood or if they would give a different answer because they got the question wrong.

7.4   Results and Analysis

This chapter will analyse the results of the survey that took place in January 2017 and early February 2018. As mentioned earlier two kinds of interviews were conducted with questionnaires both for HR managers and Recruiters but for employees as well. As the researcher is Greek, the interviews were conducted both in Greece and Finland. The first Questionnaire was addressed to people holding high positions, so the answers expected were from the perspective of the people that would have to deal with a diverse workforce and the way they would manage it. On the other hand, the second questionnaire concerned people working in a diverse environment and the author expected to get insights on how they feel in this certain environment, how they perform and how they deal with situations. Some companies that participated in this research were Tieto, Huhtamaki, a Greek company X and people from some other companies located mostly in Helsinki but Greece as well.

The questions in the questionnaire that the researcher used, either in the interviews or through emails would have the same flow this paper had so far. First there were general questions concerning HR, what HR and HRM is, what are the objectives of it, techniques used

etc., and then there were questions that required answers with a deeper meaning and in a more personal level, concerning the exact business the manager or the employee worked at.

Question 1. Importance of the HR department and objectives

Firstly, almost every interviewee agreed on the importance of the existence of an HR department in a company. Of course, they all agreed that when working in a bigger corporation the need for a Human Resource Department is bigger and vital in order for the company to survive. Whereas in small companies, especially start-ups or even SMEs (Small Medium Size Companies), there is not always an HR Department, but usually it is the CEO of the company or the Director of it, that would deal with any problems and situations occurred. The objective of the HRD or the person responsible for the employees, in the case of a smaller company, is according to the interviewees what we also described in the theoretical background part. It is important for them to maintain a good environment for the firm and make sure everyone is being treated equally.

Question 2. Change in the importance of the HRD and international workforce

According to the interviewees, specifically in Finland, there has been a change in the importance of the HRD, not only because of Globalisation but for other reasons as well. Globalisation has of course affected businesses and as the workforce gets more diverse, the need for an HRD gets bigger. What also came out of the research, that was not mentioned in the theory, is that bigger companies, such as Tieto or Nokia, always had an international workforce. The researcher noticed that Finland, has always had companies with diverse workforces. Speaking about 10 years ago for example, even then, there would be 10 different nationalities in those companies, as a former HR manager of Tieto said. So, HR was always a very important department for companies as this one. Of course, nowadays it gets more common to see smaller companies having employees from all over the world. For those ones, the change has been quite big and if there was no need for an HR department before, it is now vital.

Some of the other reasons, except for globalisation, that the importance of the HRD has changed. As one of the Human Resource managers said, work life is now more demanding, there are more to be asked and expected from employees, and the work life integration is at the same time difficult to happen, so HR Managers are the ones who are facing people related challenges that they might not have faced before.

On the other hand, as seen from the Greek company interviewed, globalization has affected the importance of the HRM department more than in Finland. Nowadays, Greece is becoming more international and thus companies begin to have a more international workforce than they did before. English is becoming the company language for many businesses in Greece and thus HR is now a vital part of the company, as there is now the possibility for people from all over the world to get employed in Greece.

Question 3. Performance of the employees in an international team

In this question, some people answered that it is not about only having an international team. Having only different nationalities does not make it so much challenging, but having a diverse workforce is making the difference, meaning having not only people with different cultural backgrounds, but both women and me, juniors or seniors, people with different working backgrounds. They said that this kind of diversity is the one that changes the performance of the workforce and is the key for success. Other people said, the opposite, that the most important thing that differentiate one employee from another, is their cultural background, because people born in different countries, would always have different perspectives. By perspectives, interviewees specified that they mean both personal views but also business backgrounds. People who have lived in different countries have experienced different business working lives with business ethics that would differ from each other.

As the HR manager from the Greek Company X said, companies in Greece have noticed that the performance of the employees is not better, while they work in an international team. Greeks are characterized by openness. Thus, this makes it easier for them to communicate and cooperate with new people, with different perspectives. He said that having people in his team with different mindsets, brings better results to the company, with fresh and more innovative ideas.

Question 4. Trust between the employees and difficulties

Most of the interviewees said that there is a huge need for open communication in order to manage a diverse workforce. The HR department needs to be available and able to deal with any kinds of situations. Of course, one of the HR managers said, "HR is a back office function and there are no possibilities to always have an impact in every situation, at least not a good

one". It is essential, in order to build trust, to start from one common thing for all the employees and that is the company. Every single employee needs to follow the values and the vision of the company.

Concerning difficulties, communication was for all of the interviewees the most challenging part, concerning both technicalities and culture related communication. Especially when having to run virtual teams, with people literally from all over the world, the communication gets challenging as there are online meetings, shared data storages, common IT systems etc. The challenges can also get to a more technical level, but this is a bit out of the topic discussed on this paper.

However, the biggest issue remains in terms of communication. People coming from different countries have completely different characteristics. Some are more open, with a more dynamic attitude, while others are not. It is a bit challenging to have cooperation between the two, but it is the job of the HR Manager to figure that and make those challenges work in favour of the wanted and expected result.

As some interviewees said, especially in Finland it is necessary to be honest. "If you say to a Finnish person that you can manage to deliver what you have been asked to, the Finnish person always believes you and build on that promise". That builds lack of trust to the team even when it's really about cultural ways of expressing negative things. Finnish people tend to be quite strict when they speak or write emails and that sometimes leads to uncomfortable situations, if the topic is sensitive like many HR related issues are. Culture influences how HR managers give feedback (positive and negative, or negative and constructive).

Question 5. HR in Finland

According to the results from the interviews, companies in Finland tend to recognise diversity as an asset to the company. They value diversity and they consider it as a factor for success. Finnish companies seem to be pretty open towards diversity, they seem to understand the benefits and how it affects the efficiency of the company. When I asked the interviewees the

question "Do you think that the diversity in the Finnish workforce has helped with the performance of Finnish companies?" most of the ones working in bigger corporations said that it is self-evident. However, it seems that Finland has always been quite an international country, hosting people from all over the world. Thus, Finnish companies have always been international, and they have always been doing great in the market. Globalisation has affected the workforce of the companies, but not as much as it has affected other countries.

Question 6. HR in Greece

On the other hand, Greece is more affected than Finland. Globalisation has had
a bigger effect in Greece and now new companies build their headquarters (HQ) or open offices in Greece. Thus, there are now more foreign companies based in Athens, which means that the workforce consists of people from different countries, as the company language is English and not Greek. This means that people from all over the world, are able to get a position in a company in Greece.

Question 7. What are the keys to success of a global /multicultural team according to your experience?

As the interviewees were mostly from big corporations they answered that openness to diversity and willingness to understand the perspectives and ideas of others is what would lead to the success of a multicultural team and thus success of the company. An international team is always difficult to manage, but if you do, the results that you get are way better than what a homogenous team would give to the company. Thus, openness and good manners is all that it needs to have a good outcome.

8   Conclusion

In conclusion most of the HR managers the researcher interviewed would be people with working experience of many years on the specific sector. Other than that, she interviewed couple of employees, mainly from smaller start-ups, in order to get a full picture of how HR is seen in smaller companies as well, other than bigger corporations.

The results the author of this paper received were pretty homogenous, with almost every manager agreeing that HR and the importance of it has changed over the last decade because of globalization and they expect it to still change. However, some of the managers also said that HR has always been the most crucial part of a company, since the employees are the ones that make the company. The author came to the conclusion, while comparing the two countries the interviews took place at, that Finland has always valued the HR as much as it does now, since it has always been an international country. On the other hand, Greece has started to have diversity in the companies, quite recently, and thus there has been a bigger change in the importance of the HR Department.

Another outcome of the interviews with people from smaller companies, and from the researcher's experience in the start-up environment, is that there is always the need for an HR department. Even if the company is small, if there is diverse workforce there is always the need for someone to take care of any situations that might occur. Having an international workforce is always challenging and as the interviewees said, usually in start-ups, it is the CEO that should deal with the situation, but CEOs are always too busy and have so many other things to deal with.

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Appendices

Appendix 1: Questionnaire for Managers

- How important is the HRM department for your company?

- What are the objectives of your HR department and what methods/programmes you use to achieve those? (Feedback,
- training etc.)

- What techniques do you use for the right application of HRM? (manpower planning, performance appraisal, bonus etc.)

Change in the HR department in todays' Globalisation

- Has the importance of the HR department changed over the past years? In what way? Positive or negative?

- Do you have more international employees now?

- Do you think the performance of the employees has been improved while they work in an international team?

- How do you build trust between them and how do you manage diversity in the workforce?

- What kind of difficulties have you faced while working with an international workforce and how did you overcome those?

- Does your company value diversity in the workforce?

- Do you think there is openness towards diversity in Finnish companies?

- Do you think that diversity in the Finnish workforce has helped with the performance of Finnish companies?

- What are the keys to success of a global/ multicultural team according to your experiences?

Appendix 2: Questionnaire for employees

- How important is the HR department for you? Do you think it plays an important role in the firm?
- What does diversity mean to you? How would you define it?

- How is working in a diverse team?

- How do you think a diverse workforce affects the company?

- What kind of difficulties have you faced while working in a diverse environment?

- Do you think a diverse workforce is more innovative than a homogenous one?

- How do you overcome problems and conflicts in the team? Does the HR department play a vital role on that?