Improving employee satisfaction with tailored HRM processes - Case: Lemon Companies

Eliisa Lukjanova
The aim of this thesis is to find out through research, the level of employee satisfaction at Lemon Companies, as well as the immediate needs when it comes to human resource management. Lemon Companies is a fast-growing Belgian IT start-up, working with small local companies, as well as international chains such as Flying Tiger Copenhagen, Diageo and McKinsey & Company. In addition to their hosting services, they specialize in creating apps, web platforms, and IT-infrastructures.

As this is a project report, the theoretical framework will be presented in the project plan chapter along with other research results. This will cover the basics of human resource management, the history of it, how it has developed and how a start-up can implement this in their company. Based on the findings there will be a concrete plan on how to tailor necessary processes based on the needs of Lemon Company.

The author presents the findings of the HRM situation before the implementation of the new processes, and final product at the end of the thesis. The results of the implementation process and whether the project was successful will be also included, as well as further suggestions for future developments.

Keywords
Human Resource Management, Employee experience, Start-up.
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1 Introduction

Start-ups often strive to be the innovative, rule-breaking companies which would be only be dragged down by official rules and policies (Workable, 2017). While the strict reputation of human resource management, also referred to as HRM, might be the cause for disinclination for some, often companies decide not to invest in human resource personnel in order to focus all resources on clients and development. No matter the reason, an effective HRM process is vital for a company in order to grow and succeed.

During Slush 2019, Cara Brennan Allamano, the Senior Vice President of People at Udemy, had a discussion with the Global HR Operations Lead at Smatly.io, Julia Hämäläinen about how tech companies can win the talent war and what employee retention actually requires in this day and age. According to Allamano, who has been in the HR industry for the past 20 years, in the last decade new challenges have emerged for companies to not only attract, but also retain their talents. A statistic she brought up indicated that merely 18 months ago the average tenure period for an employee in the tech industry was 19 months. Since then, it has lowered to 17 months, highlighting the importance of HR and improving the employee experience especially in smaller companies. (Allamano, 22. November 2019. Slush)

This is a project-based thesis which aims to show the readers how a tailored human resource management process can fulfil the needs of employees of a fast-growing company, ultimately improving their well-being and satisfaction. This chapter explains the goal of the thesis, followed by a project plan where the reader will be able to understand the following steps and process of the project. Finally there will be a project report where the results and analysis will be presented, followed by the final product itself.

The company in question did not yet have any dedicated HR personnel during the time of the project and implementation, which is why the focus lies in creating an easily maintainable, streamlined process that allows the company to grow in a structured manner. Ultimately, the goal was to create an HR process and a handbook which would support and help the organization in achieving its objectives through ensuring the hiring and development of talented people. Later in the thesis the expectations and criteria will be discussed and overall project will be evaluated whether it can be considered as successful and most importantly useful for Lemon Companies.
2 Project Plan

This project was about finding the state of Lemon’s human resource management and determine the immediate needs in addition to future plans for development. This would result in a more structured system, which would ultimately improve the employee experience at Lemon Companies. In the end the research pointed out the biggest shortcomings according to the employees and upper management. Based on the information deducted from the research, concrete plans were made in regards to what the final product would be, which will be discussed later in this thesis followed by product itself.

2.1 Case Company

The case company is Lemon Companies, which is a young software development agency located in Belgium. Originally Lemon started out in 2008 as Interhost Solutions, a reliable hosting and cloud provider. In 2010 they also start offering web design services, which over the course of five years expanded into other software development and graphical activities. Finally in 2015, the sudden increase of demand lead Interhost Solutions to focus their new services in a new entity: Lemon Companies. (Lemon, 2018)

One of their main values is to make the vast world of IT accessible to everyone. In addition to complex high-profile cases, Lemon offers clients a fully functioning product, as well as coaching in areas such as branding and understanding the software development process.

Since their founding, Lemon’s focus has mainly been on growth, putting a lot of pressure on their team of roughly 20 people. During the project the company consisted of twelve full time developers and designers and four management members. As the project was moving forward the team was growing with interns, freelancers and new members to the full time team. Majority of the team members are young, recently graduated professionals. The atmosphere and way of working at Lemon is very fun and self-steering, which has won them many unique opportunities. For this reason, they wanted to preserve the current state of the company while still adding more structure.

2.2 Conducting the Research

The primary data was collected from the latest literature, theories and articles regarding human resource management. All sources will be found in the end of this thesis. Secondary research was conducted via both qualitative and quantitative research methods.
Quantitative research methods are based on measurable, statistical results dealing with numbers. It is used to explain or confirm a hypothesis regarding relationships, which means the study is solely based off of objective evidence with no trace of any values or beliefs. The research begins with collection of data, which in this case can be a survey with straight-forward questions which to validate or disprove an occured relationship and correlation between them. Qualitative method in contrary to quantitative, helps understand the reasoning behind a proven phenomena. (Ashley & Boyd, 2006. P. 71)

Robert K. Yin described the qualitative research method to be a dive into individual people’s world views of similar situations. It helps understand a specific groups’ perspectives and experiences in order to determine the source of the research problem at hand. This usually means that the research is conducted via personal interviews, with open questions.

According to Yin, there are four main goals which characterize qualitative research; originality, transparency, methodic-ness, and adherency to evidence. Originality means executing the research based off of personal ideas and data instead of “Googling” already existing results. Being transparent involves all materials such as results, data, descriptions of processes and findings must be accessible to the general public. Carrying out the research at hand methodically ensures that the results are trustworthy. Methodic-ness suggests that the execution was done in a way that leaves space for unexpected results, meaning that steering or biased questions are avoided as well as researcher’s own ideas or revelations noted in the process. Finally, adherence to evidence promises all notes, recordings and participants’ actual tone of expression are all available for review. (Yin, 2016. Pages 10-15)

According to Julia Brannen, one must use mixed methods in order to ensure accurate results and best understanding of a case. The mixed method research is better known as triangulation. Triangulation is a research practise developed by Denzin (1970), which uses multiple methods to collect and study data. (Brannen, 2016. P. 11-12)

2.3 Stakeholders

The priority and the primary stakeholders in this project are the employees of Lemon. If this project was to be a success, they would benefit greatly due to a newly formed, structured HR management system. Clear guidelines and rules will put the employees on the map of what to expect and what is expected of them. It will provide a sense of fair play
and stability within the company across all employees and departments. The employees would influence the project by giving their views on how things are currently handled at the company and what would be most beneficial for them, as well as future employees.

Second on the priority list would be Lemon’s management. Guidelines and clear roles would add employees’ trust and confidence in the way the company is run and the manner the employees are treated. It would also make managing the employees considerably easier, as well as keeping the company clearly structured as it keeps growing. Combination of all these factors would bring a sense of transparency, which will increase the well-being and willingness of the employees to work at the company as well as attract new talents. An organized and motivated company would inevitably also attract potential customers. Management would also influence the project in a major way, as they would steer the whole process, helping prioritize the different factors that would be included in the final product.

Finally the last stakeholder are the current and potential customers. Well-structured and transparent company in which the employees are both comfortable and motivated to work, combined with technical skills produces better results and products. Possible feedback by current clients for example on the way the different teams’ work and communicate could have influenced the project’s priorities and the content of the final product.

2.4 Process & Risk Management

All communication between myself, management and other team members happened on Slack. Slack is an online collaboration tool designed for companies, where teams can for example chat, share files and carry out surveys internally. (Slack, 2019) Surveys and questionnaires, as well as their results and further plans were created and stored in Google Drive, where the company’s other documentation was also kept. Invites to interviews, meetings and surveys were sent out via Gmail, while the organization of said interviews and meetings happened in Google Calendar. Face to face meetings were organized at the office.

The project was set to be executed over the period of five months, from May until September of 2018. The timeline below showcases the original plan of action.
As any project, this also included possible risks, how they would affect the project and the company, as well as solutions on how to prevent or act on them. In the table shown below are showcased the risks that were taken into consideration, their level of severity & effects, and the ways to prevent them from happening.

Table 1. Potential risks & solutions

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>RISK</th>
<th>EFFECTS</th>
<th>SOLUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-risk</td>
<td>Unsuccessful product</td>
<td>&gt; Time consuming</td>
<td>&gt; Work together with employees to establish what’s directly beneficial to them.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; No added value to the company or employees</td>
<td>&gt; Accessible, easy to follow processes with instructions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Processes aren’t easy to follow-up</td>
<td>&gt; Clear roles &amp; tasks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Difficult to follow through without a dedicated person</td>
<td></td>
</tr>
<tr>
<td>High-risk</td>
<td>Employees’ protesting against new structures</td>
<td>&gt; Clearly defined roles &amp; rankings + additional “things to do” creating tension and negatively affecting team spirit.</td>
<td>&gt; Work together with employees</td>
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</tr>
<tr>
<td></td>
<td>Time management</td>
<td>&gt; Final product isn’t beneficial at all, lacking in some areas.</td>
<td>Set my role &amp; task in the company as a high priority and have a direct supervisor working with on the HRM process.</td>
</tr>
</tbody>
</table>

As shown in the table, one of the high-risk scenarios was that with the addition of bureaucratic structures, Lemon could lose their edge of being a youthful, fun and non-hierarchical company. This would have been due to the fact that any bureaucratic structures require a ranking order of the employees, which is something that the employees of Lemon wanted to avoid.

The probability of this happening was deemed as high, as defining roles within the company more clearly (resulting in a ranking system) is a crucial part of a HRM system without a designated person. The consequence of this happening could have negatively affected the company’s overall atmosphere and have the employees protesting the new processes.

Apart from some concerns and displeased comments regarding defining rankings between employees, the risk was successfully avoided by interviewing and taking into consideration the ideas and opinions of employees, including selected employees in the process itself. Another reason this risk was avoided was because of the transparency we provided to the whole company, explaining what was going to happen and how the progress was going.
Another high-risk scenario was the lack of time or poor time management from both the commissioning party and myself. Due to the company still being relatively small and extremely busy with big, important projects, it was very probable and feared that this project as well as my role in the company would fall behind on the priority list. If this would have happened, it would have resulted in a lacking product and with little to none implementation.

With a small amount of struggle and constant rescheduling of some meetings especially with upper management, we successfully managed to avoid this risk. After the first few months we decided to assign a supervisor who was responsible of overseeing the processes and that we’re making progress.

The last risk we took into account was of medium level severity. The risk was that the product would be deemed as useless and ultimately a failure, leading to just time consuming and confusing processes which could have not been able to execute or scale up without a dedicated HR person. This would have not brought any added value to the company or its employees, resulting in loss in resources and still, a lack of a HRM system.

The reason why this was classified as medium-risk, was the probability of this happening. It was unlikely that the product would end up being completely useless to the commissioner due to the simple fact that their HRM system at the time was extremely primitive. Any progress made in regards of HRM systems would be beneficial for Lemon, only downfall being that they would just be minor fixes with no concrete processes or an actual handbook.

However, to avoid this from happening, which we successfully did, we again included all employees in the process of creating the HR Handbook specifically tailored to meet the needs of the company and its’ employees. In addition to this, together with management we created more layers to the company, assigning some of the senior employees as team-leads, as well as clear responsibilities for the members of upper management. All of the processes also included clear instructions on how they should be executed.

### 2.5 Expected Outcome

The main expectation of the final product, being the HR handbook, is to be streamlined enough to serve the needs and improve the experience of management members, team-
leads and employees without a dedicated HR person. In addition to everything being extremely streamlined, it should have resulted in an improved employee experience at Lemon.

The functions which should be established by the handbook are the following:

- Improve the communication between management and employees.
- Easy, automatic tracking of all employees' performances and well-being, as well as a platform for unbiased evaluations.
- Well defined rules and guidelines which are available to everyone even when responsible member is not available.
- Clear structure and responsibilities (offered by policies).
- Available & accessible across the entire company and can be referred back to during any possible conflict or unclear situation.
- Scalable to a larger team as the company keeps growing.
3 Project Execution

While the concept of human resource management originated in the 1920’s as ‘welfare’ and later evolved into ‘personnel management’ in the 1940’s during the industrial revolution, it wasn’t until the 80’s when Charles Fombrun and Michael Beer developed HRM largely into what it is today. (Armstrong, 2014, 9)

According to Armstrong, the philosophy during that era was heavily based on the idea that the purpose of HRM is to strengthen the relationship between an organization and it’s employees. This would lead to the company reaching their goals with great results. The Harvard HRM model, developed by Beer and his colleagues, suggested that the responsibilities of human resource management revolved around five main points: the situational factors and stakeholders’ interests, which lead to HRM policy choices, HR outcomes and finally long-term consequences. (Armstrong, 2014, 10)

In the modern world the approach towards HRM is shifting once again. The main reasons behind this change has to do with introducing a new generation into work environments: the millennials, new behaviors & technologies which have progressed and changed human behavior making it more comfortable for us to share information online. Finally mobility & globalization which has abolished any barriers and has provided easy access to people and information at any given time. (Morgan, 2017. 12-17)

All of these phenomena has led to the new version of human resource management: the employee experience. Instead of viewing personnel as one single manageable ensemble, it is now viewed from the perspective of individual employees and how they experience their employment. According to Morgan, companies now focus more on measuring employee engagement, instead of direct measurables such as sales or achievements. An engaged employee is someone who connects with the organization, is dedicated and most importantly, is passionate about their work. (Morgan, 2017.12-17)

Nowadays, the main functions of HR are the following: recruitment, health and safety, relations with management, training and development, compensations and benefits, and labor relations. (Chron, 2019) Due to some already existing processes, this thesis will not cover all HRM functions. However with the help of the thesis, the management and the entire team of Lemon have a hand-book, containing clear guidelines and a streamlined HR process to follow, as well as suggestions for future improvements.
3.1 Methodology

The theory mentioned earlier regarding research methods led me to proceed with triangulation as my choice. By using and combining both qualitative and quantitative methods sequentially, it helped me narrow down the core needs of the company’s HR processes.

In order to gain a general understanding of current state of HR, a quantitative method based in Google Forms was used to create a questionnaire which was distributed to the whole company. One of the questions of the conducted survey was whether the employees were satisfied with the current HR situation. 91.7% of the 12 respondents expressed their dissatisfaction towards it. Based off of this fact, I gathered more in-depth questions which I asked in the followed qualitative research; interviews. The interviews were conducted with a smaller group of employees which were either employees of a senior / management position and latest additions to the team.

Results from both interviews and the survey led to the following list of HR processes which would be created and implemented into Lemon during my time of stay:

A. On-boarding / off-boarding process.
B. Performance Reviews.
C. Policies.
D. Positive Stand-up.

3.2 Onboarding & Offboarding

Onboarding is a process of settling a newly hired employee in their new position at the workplace. It runs deeper than merely signing a contract and going through a general orientation of the company. The emphasis of this process is to welcome an employee the best possible way - offer them individualized support and engage them in the company and its' culture. (Human resourcing, 2018) According to a Korn Ferry study, anywhere between 10 to 25 percent of newly-hired employees leave within a span of six month for the fact that the job was not what they had expected. (Human resourcing, 2018) Meanwhile Society for Human Resource Management showed that 69 percent of employees are more likely to stay with a company for three years if the onboarding was great. (SHRM, 2017) It is clear that an onboarding process is essential to any company, especially one that has a smaller, tight-knit team.

The Balance Careers provided a thorough list of all elements which would make an onboarding successful. This includes steps like preparing their work area, materials &
documents, a schedule for the first weeks and assigning a mentor. All steps mentioned are to ensure a welcoming and most importantly engaging experience between the new employee and the company. (The Balance Careers, 2019) Due to our nature as social beings, we long the need to create bonds and be accepted into communities: in this case creating bonds with employers and clients, and being accepted into teams and companies. Our level of self-value and commitment to a job are highly based off of whether we as individuals feel like we belong to a certain group or if we are able to connect with other individuals. (Slåen, 2015, 20.) For this reason, it is exceptionally important to establish a connection right from the very beginning with the new recruited.

In the survey, 75% stated that the most common occurrence was that the new employees were often left without clear tasks or responsibilities. This was also brought up by team-leads and recently hired employees during interviews, particularly concerning interns. This leads unrelated tasks being distributed to whoever seemed to be free to do them, which consequently resulted in frustrated and somewhat lost employees.

Lemon previously already had established a recruitment process and criteria, as well as a orientation step which included a “Lemon for Dummies” handbook. The handbook in question contained a welcome letter, general information regarding parking, contact information of other employees, and mission & vision of the company.

Considering there was no-one directly responsible for new recruitees and the task of welcoming them fell on whoever was available, it was decided that the onboarding process would initially be in a form of a instructional presentation accessible to everyone. This presentation would include streamlined steps and a timeline in which everything would be performed in. In addition, a checklist would be provided of all necessary materials and details which would be handed out. This would ensure that in any case, anyone would be able to take responsibility and carry out an adequate onboarding. Key elements which were focused on were preparation, tasks & office buddy, guidance & feedback, and a follow-up session. All of the steps were planned to be executed over the period of one month.

Offboarding of employees can easily be neglected and not processed in a systematic manner. According to Inflection HR, 29 percent of companies have a formal offboarding processes in place. This is a missed opportunity considering that there is massive talent, process expertise and possible company promotion walking out of the door. If this is not handled properly, a company risks losing a potential boomerang-employee, as well as be left out on crucial information and a bad word-to-mouth review. (Inflection HR, 2018)
Harvard Business Review agrees, and has provided an effective to-do list in case of a departure. What was highlighted the most was the fact that every step of the way should be well communicated to the rest of the company, and most importantly the knowledge should be passed on to the less-experienced successors. It is essential to treat a departure as a learning point and grow from that point onwards, providing current and future employees a better work environment. (HBR, 2016)

In the survey and interviews, many of the employees expressed their dissatisfaction towards the unorganized nature of how the company functioned it. Seven out of twelve survey respondents expressed hesitation when they were asked whether they see themselves working at Lemon in the next 3 years.

Considering the theory and research results, this alarmed many of the management members and wanted to focus on making offboarding as smooth as possible. As a result a process would be created which focused on formalities such as paperwork and tying loose ends, passing down knowledge and an exit interview in order to find out development points. Preparations would begin straight from the notice of departure, starting off with deciding on a successor.

### 3.3 Performance Review

Slåen mentioned as one of the was the four pillars of basic human needs to be the need for growth. As one of the most important motivators, growth possibilities keep employees happy and the company growing organically. Offering challenging enough tasks, not too challenging in which case it has a negative effect, creates a bond of trust between the employee and manager. One of the ways to ensure growth within employees is to offer new tasks and training. As human beings, succeeding in new challenges gives us a sense of purpose and naturally motivates employees evolve even further. (Slåen, 2015. 20-21)

In order to be able to adequately challenge their employees, management has to very involved with them, providing them with feedback upon which the employees themselves can reflect on their and management’s performance. This approach offers an individualized growing space for each employee, ensuring their development and satisfaction towards their job.
3.3.1 Bi-Annual Evaluations & 360 Degree Feedback

Although feedback and performance reviews are crucial for both management and the employees themselves, annual or bi-annual evaluations are seen by 87 percent of managers and employees as ineffective. In addition to this, they’re something that most employees fear. In fact, out of one thousand young professionals, half of them felt that they couldn’t do anything right after leaving their annual performance review. They tend to be extremely simplified and subjective, which in a long may ruin relationships between management and employees. (Bonusly, 2018)

While annual or bi-annual evaluations have various downsides, if done right in a conversational manner, they help improve communication between management and employees. Together with Lemon’s management, we decided this already existing process would be something they want to keep and develop further, as it offers an opportunity to have one-on-one meetings with each employee. It’s a chance to see improvement points for both team leads and employees, as well as an excellent opportunity to reward deserving employees with promotions or other benefits.

44% of employees in the survey mentioned that they were not getting enough feedback, nor was it clear how it was possible for them to grow and move forward in Lemon. 78% agreed that they would want more feedback, in addition to the main team-lead mentioning the hardship to keep up with everyone’s work results and requests for raises.

Initially at Lemon the original concern was the inconsistency and insufficiency of the already-existing bi-annual evaluation. According to management, the form asked irrelevant questions, which didn’t offer anything useful for the company. In addition to this, the employees should be able to remember every project they have worked on in the past six months, as well as be able to evaluate their success and growth as truthfully as possible. It raised a concern whether it would work, since many of the employees work on multiple project during the time-span of six months, which realistically would mean that they simply would not remember the details of their work.

We decided to move forward combining two different evaluations; bi-annual performance reviews and monthly feedback. The bi-annual performance reviews would consist of concrete questions of the employees themselves, as well as improvement points towards the company and management.
The 360 degree feedback method is an all-round approach towards evaluating the performances of employees and leaders. This approach allows all members of an organization to be evaluated on the same level. It is a highly practical way for larger teams and their leaders to gain and give unbiased feedback. If used correctly, the reviews can act as added value towards developing the overall employee experience. In addition to that, it also helps the company move towards making their mission and vision a reality, all while supporting their values. (The balance careers, 2018)

According to Decision Wise, the 360 degree method helps both team and leadership development. Team members are more likely to know more about how each member is performing than their supervisor, helping the teams communicate more effectively and ultimately improving working relationships. The gained feedback is also more reliable, since it is stemming from multiple sources of different levels. This helps tackle the negatives of biannual reviews, as well as benefits and helps improve the leadership. Overall, the 360 approach is a very effective method to obtain insightful information, even when management is absent from the action. (Decision Wise, 2018)

Unfortunately there are also downfalls to this method. It can either lack confidentiality, which might intimidate the participants from being truthful and honest, or it can fail to provide enough information due to its anonymity. It mainly focuses on employees’ shortcomings and can only be used as a small segment of a performance measurement system. It can also fail to add any value if implemented inefficiently. (Forbes, 8.12.2018)

Considering the negatives and positives, as well as various other approaches towards collecting and giving feedback, together with the management it was decided that the 360 approach would most be most appropriate. The goal with the monthly assessments was to keep everyone within the company on track of the different tasks, stress levels and preferred tasks each individual was going through each month. This would allow the team lead to approach those who needed more support, as well as acknowledge those who achieved more. The assessment areas and questions were picked out together with management as well as online sources like Decision Wise. The topics were narrowed down to be: communication, performance, teamwork and motivation. (Decision Wise, 2018)

The execution of the assessments in question would be on the Google Forms platform. During last week of each month, the form would be sent out via email to each employee. In the first email, an instruction form was included on how the grading was defined.
All replies would be collected in an excel file which the team leads would track. In order to have something to refer back to during the bi-annual performance review, the Lemon employees would be able to access their answers from previous months.

### 3.4 Policies

As already previously mentioned, labor relations are a vital part of any successful HRM process. This includes any and all labor and employment laws, as well as in-house policies and regulations. (Chron, 2019) Having policies in a workplace sets standards and expectations for employees, as well as promote good faith and consistency that each employee will be treated fairly and equally. Policies also provide a framework which is relied on during any decision making or conflict solving, in addition to protection against any breaches of any legislations related to employment. (Employment law handbook, 2017)

Apart from legislational policies, there are also in-house policies which each company established themselves. According to many sources, including Chron, some of the most essential policies a company should have includes; code of conduct, equal opportunity, substance abuse, attendance and workplace security. (Chron, 2019)

In the survey when asked about what could generally speaking be better in regards to working at Lemon, as well as what are the biggest shortcomings related to HR are over 40% answered that more structure and transparency in decision-making.

Structure included also the lack of policies, which were also mentioned during the interviews. In addition two seniors, two team-leads and a recent hiree expressed frustration towards not having clear rules or guidelines. This included subjects around working policies, based on what someone deserves a company asset and who are responsible of handling the different areas. As the company keeps growing, tension keeps growing with it, preventing management from focusing on leading the team. This resulted in policies becoming a priority of this whole project.

Due to me being a foreigner, the employment laws and other legislation policies in Belgium were entirely unfamiliar to me. Additionally, they were previously introduced in Lemon according to law. While researching on the most essential policies for Lemon, it proved to be difficult to find directly beneficial sources online due to either a language-barrier between me and belgian sites, or the policies and sites being located in America which is also non-applicable to Lemon.
This resulted in one of the senior members bringing notes of different policies and contracts which were established in his previous job. It was decided that a working policy and policies for company assets would be created in collaboration with selected seniors and management members.

Although, as previously mentioned, a company should have policies covering code of conducts, safety, equal opportunity and so forth, the working policy would include the following topics:

- Working hours
- Communication
- Internet & email usage
- Absence

As for company assets, it was decided that car, phone, and laptop policies would be implemented and that each policy would be covered by the following topics:

- Policy Statement
- Guidelines:
  - Use
  - Gas Card
  - Safety
  - Care
  - Driver Eligibility
  - Costs
  - In case of theft/accident
  - Insurance

Once the initial drafts and guidelines of all policies were decided on, they went through three stages of approval. First middle-management which included team leads, then upper-management which includes the CEO and partners, and finally the whole team where they could appeal to any changes they seem fit. The appeals would be taken into consideration and discussed with management. As soon as the policies were finalized, they would be presented to and signed by Lemon’s employees immediately.

3.5 Positive Stand-Up

There was a question in the survey which asked, what is the best part of working at Lemon? 66.7% of the participants answered either something related to the colleagues or
the overall Lemon-atmosphere. The management team put an emphasis on keeping the team-spirit high and keep the young motivated vibe going. The big question was, how to keep everyone as energetic and motivated.

There are two types of motivations: internal and external. External motivation consists of things like paycheck, benefits, bonuses and formal titles. In this approach the leadership can essentially the executed in the same manner throughout the entire organization, which ultimately results in micromanagement and a perfect separation between management and other employees. (Armstrong 2006. 254-262)

Internal motivation is comprised of factors such as, the meaningfulness of what one is doing, clear direction, co-creation and achievement, encouragement, control and immediate feedback. In order to support and further develop this type of motivation, leadership has to be responsive and personal in which the teams are relatively small and the leader works together with the team. (Armstrong 2006. 254-262)

The shift of how HRM is viewed nowadays has to do with the previously mentioned reasons, which have collectively resulted in “the war for talent”. (TEEA, 2017; 18) Now companies want the best of the best, for obvious reasons, but keeping them satisfied and happy with their employment has become even harder than before. According to a research conducted by the University of Princeton in 2010, financial benefits and bonuses stop motivating people after gaining an overall $50000 raise. Every raise or bonus after the five thousand dollar mark do not increase job satisfaction or decrease the stress levels. (Päivän Lehti, 29.10.2017)

As Lemon has previously had employees leaving for better opportunities and already showing some hesitation towards staying in the company, together with management we decided to implement an engaging activity to Lemon’s weekly schedule. Lemon Companies had already an existing Monday Stand-up session. This session was designed to bring the whole office together in the kitchen for a couple of minutes and go through what each employee was working on during that week. The plan was to make it more interactive between different employees from different teams (eg. developers and designers).

The goal with this was to create a sense of unity and awareness of what everyone was doing, as well as offer a break from the busy and stressful schedules in order to briefly relax as a collective. This was proven to work and the employees enjoyed the small break
each week. Since in the interviews a concern was brought up related to the lack of feedback or acknowledgement, the new “Positive Stand-up” approach would be implemented into the already-existing Monday Stand-Ups. Referring back to Slåen’s theory regarding basic human need of social belonging, the goal here was to create a more positive atmosphere in the office, in addition to making each employee feel acknowledged on a very basic level; whether it was a well-handled situation with a client, emotional support they offered during a stressful period, or even something as superficial as their outfit.

The implementation progressed in the following way: during an employee’s turn, they would tell about their agenda and possible help they needed. They then proceeded to point someone out from the circle and compliment them. After a few weeks of this experiment the results were positive; the atmosphere was more relaxed and the employees which weren’t working on the bigger projects, especially the designers, felt appreciation for the smaller tasks they thought went unnoticed.

Since the team at that point of time was still relatively small, consisting of 8 - 12 participants, it was rather easy to implement. The addition to the usual Monday Stand-up did not prolong it by much, and the whole session managed to stay under the ideal time of less than 10 minutes. Although the practical execution was successful, it was kept in mind that further on as the various teams grow, this process will become harder and more time-consuming to implement into Lemon’s weekly schedules. An alternative approach will be suggested later on in the thesis.
4 Final Product

A small foreword before the presentation of the final product. All of the following HRM features were collected into a HR file as an employee handbook, and, as previously mentioned, shared with all employees on Google Drive. Any results or excel files are collected in a separate, private folder which is only accessible by an HR person and management.

The final product is depicted in the flow chart below (figure 2.) It includes the main contents of the Lemon HR Handbook, as well as each the core elements of each section, followed by a detailed description of the product.

Figure 2. Final product & its' contents: The Lemon HR Handbook

4.1 Onboarding & Offboarding

The employee handbook includes an on- and offboarding process presentation. The presentation was created to be accessed and used by anyone in the company in case the responsible team lead was absent during the first or last days of an employee. In both cases, there are summaries of steps which are expected to be executed, as well as a PDF checklist. All steps were designed to fit Lemon’s company culture based on the newer employees’ notes in addition to recent articles which discussed the essential and in some cases, also trendy approaches.
The onboarding section includes a timeline of one month with the following actions:

1. Preparations
   a. Necessary Tools & Usernames,
   b. Legal Paperwork
   c. Workstation
   d. Tasks & Responsibilities
   e. Starter Pack.

2. First Day
   a. Office Tour + Work Space
   b. Onboarding Meeting
   c. Lunch Together
   d. Introduction Email To The Rest Of The Company

3. First Week
   a. Training
   b. Intro To Tools
   c. Intro To Projects
   d. Lemonaries

4. First Month
   a. Feedback Session
   b. Progress Review
   c. Activities

Four key points were also separately highlighted which represent the most important steps of this process. The highlighted key points are formal paperwork, assigning tasks & an office buddy, providing needed guidance & feedback, and a follow-up session. When said steps are followed, it ensures that the on-boarding experience is successful, structured and most importantly, streamlined for both parties.

As previously mentioned, the last step of the onboarding process is a feedback session. A list of questions is provided for this session between the newcomer and their team lead. The questions are designed to put both parties on the same page in terms of expectations, results and future developments. This helps to develop transparency and communication between employer and employee, backed up with bi-annual evaluations as well as monthly feedback. The questions are as follows:

1. How would you describe your first weeks here?
2. Is the job what you expected it to be?
3. How do you feel about the organizational structure?
4. Is the work challenging enough for you, or do you experience boring moments?
5. Are you getting enough feedback?
6. What surprised you most about your position?
7. Name 2 things you would change/improve at Lemon.
8. Who’s your work best friend?
9. Are there any challenges you would need assistance with? Any further training?
10. Going through done tasks; time management, quality of results, etc.

Off-boarding section has a similar structure. Instead of a concrete timeline, there are expected steps:

1. Preparations
   a. Resignation/termination form
   b. Informing everyone
   c. Settling final paycheck
2. From the employee
   a. Prepares all needed info to be passed on to successor.
3. Final Stages
   a. Move all data
   b. Tie loose ends
   c. Exit interview
   d. Exit card from whole team.

The four highlighted steps are formal paperwork, preparation of data, tying loose ends such as company assets, and finally the exit interview. Similarly, a list of questions was provided for the exit interview. While whatever the reason might be, the departure of an employee is unfortunate. However, an interview is an opportunity to gain an honest and unbiased perspective on what could be done better and leave an open door for a possible comeback. Exit interview questions are as follows:

1. Why are you leaving your current position?
2. What made you accept your new job?
3. Do you feel like you were qualified to do the assigned job at Lemon?
4. Relationship with the team leader?
5. What did you like the most / least about your position?
6. Do you feel like you could address the problems in the office?
7. Who are the people in the office who made a positive impact on you & why?
8. What qualities and skills do we need to look for in your successor?
9. What tips would you give to your replacement?
10. What would make you come back to Lemon Companies?
4.2 Bi-annual Evaluations & 360 Degree Feedback

The monthly review included the following three sections;

1. Name & name of their team-lead.
2. Self-assessment.
   a. Grading from 1 to 5 on topics such as time management, communication, team support, effort, and quality of work.
   b. Open questions:
      i. Goals / tasks for the previous month
      ii. Achievements
      iii. Highlights for the month
3. Assessment of three (3) co-workers on a scale of 1 to 5 on the same topics as in the self-assessment.
   a. Additional comments regarding co-workers.

As shown below, during the first Monthly Review an instructional assessment criteria table (table 2.) was also shared via email.

Table 2. Monthly review assessment criteria.

<table>
<thead>
<tr>
<th>SCORES</th>
<th>1</th>
<th>2</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME-MANAGEMENT</td>
<td>Rarely on time for meetings or deadlines. Leaves everything last-minute and finds excuses when failing to meet the deadline.</td>
<td>Time-management generally speaking good, occasionally late. Could use more effort in organizing and following tasks.</td>
<td>Excellent time-management, meets all deadlines &amp; is on time to meetings. Work is well scheduled &amp; organized.</td>
</tr>
<tr>
<td>COMMUNICATION</td>
<td>Poor communication with clients / team members / team lead. Has to be asked for all details &amp; overall hard to get a hold on through email / other messaging.</td>
<td>Relatively easy to get answers from but occasionally involves waiting. Moderately clear &amp; concrete answers/instructions.</td>
<td>Excellent communication, doesn’t ignore calls or messages. Provides all necessary info when needed. Easy to approach. Clear answers / instructions.</td>
</tr>
<tr>
<td>TEAM SUPPORT</td>
<td>Doesn’t provide any help or support indifferent to others &amp; hard to get a connection with.</td>
<td>Helps out when necessary, occasionally available and seems care about the rest of the team.</td>
<td>Supports team by providing help, support and encouragement. Brings lightness &amp; joy to the workplace and always ready to help.</td>
</tr>
<tr>
<td>EFFORT</td>
<td>Little effort &amp; not reaching full potential. When faced with a problem avoids solving it until absolutely necessary.</td>
<td>Good amount of effort put into work, but not reaching full potential or dedication to the task.</td>
<td>Always puts in a lot of effort into tasks &amp; make sure they’re working efficiently). During an issue they do everything to solve it.</td>
</tr>
<tr>
<td>QUALITY OF WORK</td>
<td>Passable quality with not much to show. Lack of effort or dedication evident, should be given less responsibility.</td>
<td>Good quality work, gets help when needed. Occasional fires in work needed, however is showing improvement &amp; good consistency in work.</td>
<td>Excellent quality, shows constant improvement, leaves customers and other team members satisfied with results and rarely has to go back and fix errors. Need for advice or help also minimal. Quality of work consistent.</td>
</tr>
</tbody>
</table>
The bi-annual evaluation's questions were designed to be supported by the monthly 360 degree reviews. Answers from previous monthly reviews are accessible by employees as a reminder of their possible achievements, shortcomings and overall assessments. As all other documents, the bi-annual questionnaire is located in Google Drive and accessible a month before the interviews, where the employees can take their time in filling it out and returning it to their team-leads. All the questions are discussed between the employee and a team-lead in easy-going interviews, to avoid any excess nervousness that an uncomfortable and formal interview may cause.

The questions are as follows:

- List specific contributions to your team, the company or to a customer.
- What Has Been the Biggest challenges in the last 6 months?
- What Has Been Your biggest achievements in the last 6 months?
- What's been your favorite project/task?
- What motivates you to get your work done? (Can't say paycheck)
- What kinds of professional development or training opportunities interest you most?
- What's the best part of being a Lemon Squeezer?
- If you were leading this team/branch/organization what would you do differently?
- Apart from being very sweaty from time to time, what demotivates you / what are your biggest obstacles to getting your work done?
  (Bad chairs, not enough AC, etc.)

4.3 Policies

In collaboration with several members of management four in-house policies were created; working, car, laptop and phone policies. The working policy stated the following:

1. Working hours
   a. Working from home
2. Communication
3. Internet & E-Mail usage
4. Absence
   a. Sick-leave
   b. Vacations
   c. National Holidays
   d. Possible in-office celebrations
The car policy included the following:

1. Policy statement
   a. Eligibility for a vehicle and upgrades.
2. Guidelines
   a. Car usage
   b. Fuel card
   c. Safety
   d. Care
   e. Driver eligibility
   f. Costs
   g. In case of accident / theft
   h. Insurance
   i. Contact person

Both phone and laptop policies included the same features, which were:

1. Policy statement.
2. Guidelines.
   a. Contact person.
3. Return of asset.

After final edits were made and approved by all of management, the policies were immediately introduced to Lemon and each employee signed every policy agreement which applied to them. The policies created a sense of structure and fairness in the company, since now there are clear on-paper rules and to how promotions would be handed out and now assets are expected to be taken care of.

### 4.4 Positive Stand-Up

The goal with this was to create a sense of unity and awareness of what everyone was doing, as well as offer a break from the busy and stressful schedules in order to briefly relax as a collective. This was proven to work, and the employees enjoyed the small break each week. Since in the interviews a concern was brought up related to the lack of feedback or acknowledgement, the new “Positive Stand-up” approach would be implemented into the already-existing Monday Stand-Ups. Referring back to Slåen’s theory regarding basic human need of social belonging, the goal here was to create a more positive atmosphere in the office, in addition to making each employee feel acknowledged on a very basic level; whether it was a well-handled situation with a client, emotional support they offered during a stressful period, or even something as superficial as their outfit.

The implementation progressed in the following way: during an employee’s turn, they would tell about their agenda and possible help they needed. They then proceeded to
point someone out from the circle and compliment them. After a few weeks of this experiment the results were positive; the atmosphere was more relaxed and the employees which weren’t working on the bigger projects, especially the designers, felt appreciation for the smaller tasks they thought went unnoticed.

4.5 Lemon HR Handbook & Evaluation

To sum up the previously mentioned expectations that were set for the Lemon HR Handbook, the most important criteria point was to create processes which would be able to scale in size as the company grew. Each aspect of the handbook was created to be simple enough to apply and manage to a bigger team of employees.

Being in touch with the company till this day, it was exciting to hear that all of the processes are still in use and deemed as beneficial. Policies have been implemented and have proven to be extremely practical due to the fact that since my departure, the team has doubled in size.

Regarding the positive stand-up, the team at that point of time was still relatively small, consisting of 8 - 12 participants, it was rather easy to implement. The addition to the usual Monday Stand-up did not prolong it by much, and the whole session managed to stay under the ideal time of less than 10 minutes. Although the practical execution was successful, it was kept in mind that further on as the various teams grow, this process will become harder and more time-consuming to implement into Lemon’s weekly schedules.

As previously mentioned, now that the team has doubled in size my suggestion would be to keep such an informal and relaxed approach. Following is a list of small activities which I strongly believe would keep the atmosphere and well-being of employees high:

- **Unsung Heroes**
  Monthly box where employees can submit compliments of those who deserve it. End of each month box is opened and compliments are given out.

- **Walk meetings**
  Phone meetings, meetings with your team lead, brainstorming with co-worker - take it outside! Increases well-being, is good for the brain and energizes.

Despite the general downfalls of the 360 degree feedback system, this turned out to be beneficial for Lemon for the most part. It must be taken into consideration however that sending out and tracking the answers via the Google Forms platform and an excel file is
primitive, and a more efficient platform must be found in order to keep monthly assessments beneficial for Lemon.

Although some resistance occurred during the first month of implementation, the second time went smoothly as everyone began to perceive the forms as a safe place for self-reflection, as well as a platform for constructive criticism towards others. The initial fears of the employees hesitating to be truthful about each other were proven to be pointless. The bi-annual performance reviews added needed structure and strict schedules which both management and employees followed. It resulted in proper, well organized meetings between employees and their team-leads, where they got to go over past wins and learning points and where the employee wants to head in their career. Having the monthly reviews linked to the bi-annual evaluations was beneficial since the employees could access their answers and self-assessments from previous months, and were able to justify their wishes for raises quite easily. This also improved the communication between employees and management.

During my most recent interaction with Lemon employees, I was informed that the performance reviews are still being used in the same Google Forms format and are being overseen by an HR intern. As the company is growing to be more successful and the performance review was proven to be beneficial, they are considering moving the monthly review format onto a paid platform, as was suggested. The on- and offboarding processes were also successful. Since Lemon Companies often hire interns, and as the overall team has grown the guidelines and checklists have come handy. The exit interviews were also applied to interns, which gave continuously gives the company fresh ideas of how to improve the processes.

Regarding the How To Lemon handbook that is given out every time someone becomes an employee, I had some suggestions which included a more broader package; company pens, notepads, t-shirts, water bottles and so on. This would be a nice touch to make them feel even more at home at their new office. To my pleasant surprise, the suggestions are already taken into account and the starter pack is updated.

The final product turned out to be an outcome of a vast list of online sources such as articles and blog posts from HR companies, theories and the needs which Lemon’s employees and management expressed. Although decisions were made mostly based on practicality and Lemon’s individual needs rather than theories, the combination of everything resulted in a process tailored specifically for the company in question and what they require
form HRM. Also considering the cultural differences and language barriers in the workplace, I am convinced the project was executed successfully.

5 Reflection

The project was executed over the period of five months, from April 2018 to September 2018. The project was done as a part of my internship at Lemon Companies, where I worked as an HR & Marketing intern. The internship itself taught me many various things, starting with the incredible experience of working in a foreign country and in an office where I was the only international employee. This of course presented many challenges as the country’s and Lemon’s working habits, laws and company culture, as well as the foreign language were completely unfamiliar to me.

To better understand the importance of HR processes and overall what it actually includes, the project began with studying theories and relevant news articles. Because the final product was primarily tailored to the needs of Lemon rather than following and relying solely on theories, it gave me and management a broader view on what could be done better and how to meet the needs of individual employees. The theory helped understand why each part of HRM is crucial especially to a young company.

The commissioning company already had some existing structures for example the hiring process, it gave me the opportunity to focus on other important factors which were presented in the thesis. After meticulous planning together with the upper management of what the final product should include and look like, getting to work so independently taught me a surprisingly a lot about leadership, time management and project management. This was due to the fact that even though I had a supervisor, this was my own project in which Lemon wholeheartedly trusted my expertise.

Having studied all necessary theories and trends, it really gave me tools to better understand the needs of employees, regardless of the size of the company. Based on my newly found knowledge and understanding each individual of the company, the project was successfully executed and as previously mentioned, the product was implemented and the commissioning company was happy with the results.

Overall, the project resulted in not only a useful product for the commissioning company, but also in a great learning experience for myself. Apart from gaining priceless theoretical
and practical knowledge of this new field, I gained so much confidence and indepen-
dence. I truly believe this whole experience will be a huge boost in both my professional
and personal life. Although writing the thesis itself proved to be challenging due to its na-
ture, some unfortunate loss of files along the way and still some lacking in my time-man-
egement skills, I still do strongly believe this was a success.
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Appendices

Appendix 1. Interview questions
1. How long have you been working here & are you satisfied enough to keep working here?
2. What would you like to see change the most in Lemon when it comes to HR?

Appendix 2. Results from survey concerning satisfaction towards current HR system.

Are you satisfied with the current HR situation
12 responses

Appendix 3. Results from survey concerning clearly defined responsibilities

Do you feel like your responsibilities are clearly defined?
12 responses
Appendix 4. Results from survey concerning willingness to keep working at Lemon.

Do you see yourself working at Lemon in 3 years from now? Yes / No; why?

12 responded

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like the team &amp; environment, but might depend on growth possibilities.</td>
<td>16.7%</td>
</tr>
<tr>
<td>Yes, I still learn new things every day, and in every field related to the company. Of course, as a founder, I would like to see my company grow :)</td>
<td>16.7%</td>
</tr>
<tr>
<td>No, not with current benefits (eg number of holidays)</td>
<td>16.7%</td>
</tr>
<tr>
<td>Maybe, I just started working here. I hope I get challenged more in the future.</td>
<td>16.7%</td>
</tr>
<tr>
<td>It depends. I'm happy with the job but I think we need more employee-benefits like more vacation days. And we need a bigger office :)</td>
<td>16.7%</td>
</tr>
<tr>
<td>No, already slightly interested in exploring other sectors of IT</td>
<td>16.7%</td>
</tr>
<tr>
<td>I don't know, if I still like the atmosphere the I still could be working here</td>
<td>16.7%</td>
</tr>
<tr>
<td>Yes, I hope so. This is a nice and young growing company. It would be nice to grow along with it. There is still a lot I can learn here.</td>
<td>33%</td>
</tr>
<tr>
<td>Yes, in case Lemon doesn't go bankrupt, because I like working here and I feel like I get a lot of responsibilities. Makes me feel like I'm doing work that matters and important work.</td>
<td>33%</td>
</tr>
<tr>
<td>Depends on the opportunities @Lemon and salary package/number of vacation days</td>
<td>33%</td>
</tr>
</tbody>
</table>

Appendix 5. Results from survey concerning biggest shortcomings in HR

What do you think is the biggest shortcoming in HR at Lemon?

- Communication: 16.7%
- Structure & Transparency in decision making: 16.7%
- Responsible person: 66.7%

[Diagram showing the distribution of responses]
Appendix 6. Results from survey on the best part of working at Lemon.

The best part of working at Lemon

- 66.7%: The atmosphere/coworkers
- 33.3%: Projects