

Human Resource Service Design - Case ProAgria

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Tiivistelmä

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| Tiivistelmä <p>Tämä tutkimus keskittyi ProAgrian henkilöstöjohtamisen palveluiden kehittämiseen palvelumuotoilumenetelmien avulla. Henkilöstöjohtamista pidetään yhtenä menestystekijänä maatalousyrittäjissä. Maatalouden liiketoiminnassa tunnistettiin henkilöstöjohtamisen palveluiden puute. Tämä tutkimuksen tavoitteena oli selvittää asiakkaiden odotuksia henkilöstöjohtamisen palveluille ja maatalouden henkilöstöjohtamisen nykytilaa Suomessa.</p> <p>Tutkimus oli laadullinen ja tutkimuskysymyksiin vastaamiseksi käytettiin triangulaatio menetelmää eri tutkimusmenetelmien ja teoreettisten näkökulmien hyödyntämiseksi. Tutkimuskysymyksiin etsittiin vastauksia tutkimuksen empiirisessä osiossa tehdyissä haastatteluissa ja teoreettisen osion kirjallisuuskatsauksessa. Tutkimuksen teoreettinen viitekehys luotiin asianmukaisen kirjallisuuskatsauksen pohjalta ja sitä reflektoidiin tämän tutkimuksen empiirisiin tutkimustuloksiin. Tämän lopputyön tulokset toteutettiin käyttämällä palvelumuotoilun menetelminä palvelupolku canvas mallia ja liiketoiminnan kehittämisen canvas mallia. Kohdeyritys voi hyödyntää ehdotettua palvelumallia käytännössä. Tätä palvelumallia voi hyödyntää myös muissa kohdeyrityksen palveluissa.</p> <p>Ehdotelma kohdeyrityksen henkilöstöjohtamisen palveluista muotoiltiin tässä tutkimuksessa pohjautuen palvelumuotoilun menetelmiin, hyviin käytäntöihin ja tutkimuksen teoriaviitekehukseen. Tässä tutkimuksessa todetaan, että ProAgrian henkilöstöjohtamisen palvelumalli voidaan perustaa Ullrichin henkilöstöjohtamisen mallin pohjalle, missä konsultti toimii asiakkaan partnerina yhdistäen strategiset tavoitteet päivittäiseen toimintaan.</p> | | |
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Abstract

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| Abstract <p>This research focused on structuring human resource service offering via service design for ProAgria. Human resources management is being considered as one major success factor in agricultural business. The lack of human resources services in the agricultural business area has been recognized. The objective of this research was to evaluate customer expectations and the viability of current human resource management practices in agricultural businesses in Finland.</p> <p>This research was a qualitative research and used triangulation method to answer the research questions. Answers for the research questions were studied in the empirical part by case study interviews and in theoretical part by literature review. A theoretical framework was created on the basis of relevant literature and was reflected on the empirical research results of this research. The outcome of this thesis was executed by using service design tools; service journey canvases and business model canvas. The case company can utilize the proposed service model in practise. This service design can also be utilized in other case company services.</p> <p>The proposal for the case company's human resource service was designed in this research based on the service design methods, best practices, and findings from the literature of the theory framework of this research. This research indicates that human resource service model for ProAgria can be based on Ullrich's human resource management model where the consultant acts as a partner to the customers combining strategic targets to daily operations.</p> | | |
| Keywords Human Resource Management, Consulting Services, Service Design | | |

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1 Introduction

Agricultural business in Finland employs approximately 16 000 seasonal workers annually from abroad according to Mäki-Hakola, Kuula and Pelin, 2020. Especially the Finnish agri-food and tourism sectors are dependent on the support of seasonal workers, coming from other Member States of the European Union. (Covid-19, 2020.)

One of the biggest challenges facing Finnish agri-food sector year 2020 has been seasonal labour shortage. The state of emergency due Covid-19 pandemic resulted to exceptional actions to protect seasonal workers in the EU. As the nature of the work is temporary, it was important for the agricultural companies to secure the needed workforce to harvest the crop, to save their livelihood and secure operating results. (Mäki-Hakola, Kuula, Pelin, 2020.)

ProAgria was helping agricultural businesses facing challenges to secure the crop in year 2020. Together with the employment office of Finland, local TE-services, it recruited seasonal workers locally. Help was offered for entrepreneurs in appropriate introduction to work procedures and rules for new workers for example. Covid-19 and issues following it indicated the need for growing human resources services in the area of agriculture in Finland. Quickly changing operational environment and shortage of labour created increasing need for human resource services.

Human resources management, managing people and building sustainable working communities have become current in today's changing operational environment in agricultural industry. Leading competence and creating know-how is even more important due to the constant changes in the agricultural business sector. Improving company's profitability and production, professional skills, procedures and job satisfaction are in important role in achieving competitive advantage. Human resources management is being considered as one major success factor in agricultural production. Increasing farm unit sizes increases employment of hired labor at the same time. (Project Plan 2019.)

This research is made for ProAgria to help develop the company's human resource services for its customers and to learn the outcomes of using these services. ProAgria is expanding its operations for offering human resources services to its customers and the aim of this thesis is to give answers to what kind of human resources services bring value to its customers in the field of agricultural business as well how these services benefit their customers' needs.

Understanding how the target audience values service benefits is vital for the planners of a new service product, when it comes to productization. A successful service product is a bundle of benefits the customer receives. People do not buy service products – they buy expectations of benefits. The problem is measuring the bundle of benefits for exchange of services that the target audience receives and values and how to gain profit out of it. (Resnieck & Siegel 2013, pp.140.)

1.1 Case company and project presentation

ProAgria is an organization offering rural advisory services for entrepreneurs in Finland. It provides an extensive network of specialists all over Finland. It offers expertise to customers in Russia and the Baltic region as an active partner in cooperation with other Nordic countries. ProAgria has comprehensive expertise in entrepreneurship from several rural sectors; agriculture, tourism, food preparation, contracting and bioenergy. ProAgria assists its customers completely during the whole business life cycle; assistance is offered in planning a new business, business start-up's, investments and business revitalization. ProAgria participates in development activities of stakeholders that can be divided into projects, trainings and small group activities. ProAgria's services support the entrepreneur's day-to-day activities, decision-making, analysis and communication with experts. (ProAgria 2020.)

ProAgria is leading Proficient Leader – project financed by European Social Fund, Communities and the Centre for Economic Development, Transport and the Environment. The aim of the Proficient Leader -project is to increase the competence in human resource management in agricultural and small and medium

sized enterprises. This research is made as part of the Proficient Leader – project. (Project Plan 2019.)

With the ongoing reconstructing of the agriculture industry, the number of farms will decrease drastically in the following years. It changes the average size of the agricultural enterprises. Because of the growth of unit sizes, companies are forced to hire workforce. Finnish Dairy Farmers are managing in milk production very well when compared to European Dairy Farmers. Instead, they are not compatible with European Dairy Farmers in working time monitoring and work productivity. (Project Plan 2019.)

Hiring personnel is something new for many countryside entrepreneurs and it might be a huge risk for the overall business to neglect hiring personnel. Recognizing the need for workforce, recruiting people and onboarding new staff can be identified as rather new concepts for entrepreneurs. ProAgria has recognized entrepreneurs' need in guiding strategic human resource planning and performance management. (Project Plan 2019.)

In this Proficient Leader – Project ProAgria is testing by pilot case study its human resource services in dairy farms. ProAgria is studying human resource management practices in agriculture, for example recruitment, selection, training, evaluation, motivation, compensation and benefit systems, safety as well as health implementation. This research will give answers on how to support the growing competence of strategic human resource management in agricultural enterprises. (Project Plan 2019.)

1.2 Objectives and delimitations of the study

This research examines initializing ProAgria's human resource (HR) consulting services in pilot case companies. It studies agricultural HR management practices and the impact of strategic HR management on organizational performance in agricultural businesses in Finland. This study concentrates on answering how

ProAgria's customers experience offered HR services and does using these services affect companies' work productivity, effectiveness, economics, and competence. ProAgria's aim is to deliver services that bring value to its customers.

The objective of this research is to evaluate customer expectations and the viability of current HR management practices in agricultural businesses in Finland. The main aim is to create a service offering model that supports customers' needs in HR services by productizing modularly professional HR services via service design approach.

Research questions:

- 1) How to structure ProAgria's human resource service offering via service design?
- 2) How to ensure successful operations and the fulfillment of value proposition?

In the empirical part of this research the current state of human resources management practices in agricultural business in Finland will be explained and compared to customer demands. The status of human resource management will be researched by observing practices, discussing with HR consultants, studying customer companies HR documentation and by consulting the management of customer company's HR practices. Based on the findings of this research ProAgria's HR services will be productized by service design methods.

Delimitation of this study is that there is no existing market research about the needs for ProAgria's HR services in agricultural sector in Finland. This research concentrates on the productization of ProAgria's HR services and how using HR services in agricultural field of business benefits customers, rather than finding out the actual need for HR services in the way market research does. Covid-19 pandemic also delimited the interview process and data collection of this research.

1.3 Structure of this research

The first part of this thesis concentrates on the theoretical frameworks of human resource management and the service characteristics of consulting. The service characteristics of consulting provides overall knowledge of the subject. The key theories of service design and innovation will provide theory of the concepts, that are the basis for creating HR service concept for the case company ProAgraria.

First motives of establishing the HR service model is discussed and the implementation process is presented. After becoming familiar with human resource literature, human resource management, service design thinking and productization of consulting services, the theoretical framework combines the literature to answer the research questions.

The last chapters of this thesis will focus on the chosen research methodology and the empirical elements of the research. The empirical part of this study will analyse issues covering HR management services in agricultural business context. To be able to answer the research questions on human resource service offering, ProAgraria's customers' needs in the area of HR management consulting are examined. The actual findings of the research and analysis as well as the future research recommendations will be discussed in the last chapters of this thesis. The structure of this thesis is described in figure 1.



Figure 1. by Henriikka Syrjä, 2021. Structure of this thesis.

1.4 Definition of the key concepts

The following key concepts in this thesis are human resource management, consulting services, productization of services, service innovation and design. This paragraph helps the reader to understand the context of this research.

Human resource management: Human resource management in personnel management is about developing individual growth which contributes to achieving organizational goals. This is typically direct personnel management that involves employee orientation and productivity including new skills development and performance appraisal. Human resource management deals with working conditions at workplace and with employee welfare. (HRM 2019.)

Consulting services: Consulting services have been defined intellectual and advisory by nature. Consultants are using their professional skills to transfer their own knowledge to customers, advice, conduct training, design and organize customer specific projects. (World Bank Staff 2001.)

Productization of services: According to Werr and Stjernberg (2003), many consulting firms use service productization in leading learning processes inside organizations effectively. Productizing services includes phases of standardizing and concretizing the service offering and processes professionally. According to Bitner et al (2008), there are many techniques in productization from exploiting personal employee knowledge to mapping service processes, like blueprinting services. (Valtakoski & Järvi, 2016.)

Service innovation: Service innovation means introducing and developing new services for a company. As Menor et al (2002) suggests, service innovation differs from product innovation, and therefore requires an approach that includes the specific service characteristics. Service innovation may involve changes in the outcomes of services, service activities or processes, or the infrastructure of service production systems. (Valtakoski & Järvi, 2016.)

Service design: Service design brings new service ideas to life through a human-centred and holistic design thinking approach. New service development focuses on developing new service offering, instead innovating services focuses

on the process outcome. The process of developing new services can be used similarly to developing new products. (Patrício, Gustafsson & Fisk 2018.)

2 Theoretical framework

In this research the theoretical framework is based on an extensive literature review. To answer the research questions, the theoretical framework is divided into three sections; human resource management (HRM) issues, service characteristics of consulting and service design and innovation. The theoretical framework of this research is presented below in figure 2.

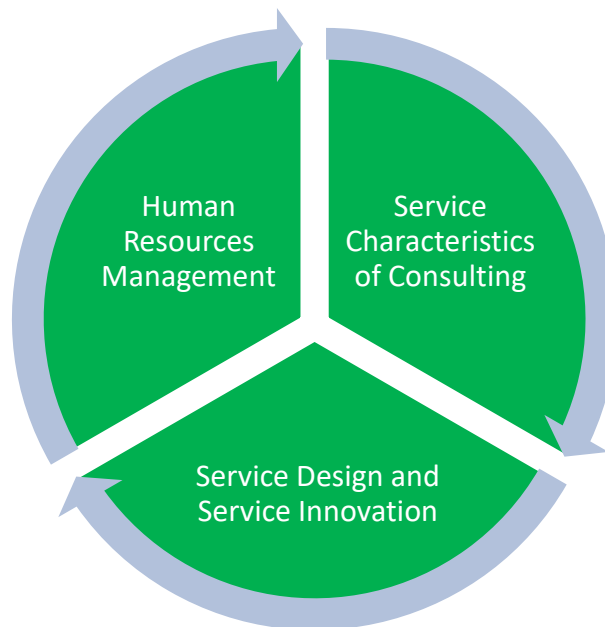


Figure 2. by Henriikka Syrjä, 2021. Theoretical framework of this research.

The theoretical framework of HR is based on the scope of HR that includes HR planning, hiring, development of employees, payroll management, rewards and recognitions, Industrial relations, grievance handling and legal procedures. (HRM 2019.)

ProAgria's aim is to answer customer needs when offering HR services. To answer customer needs the theoretical framework introduces the service characteristics of consulting services. Consulting services are characterized by commitment on developing customer's business, therefore including more knowledge on

customer behaviour and creativity, than professional services. (Virtanen 2013, p.23.)

Service characteristics of consulting HR management are explained in more detail in chapter 2.1. Offering consulting services is considered more difficult compared to professional services. Consulting services are often coproduced with the customer and professional services are considered intangible and customized, according to Halinen (1997, p.29).

Service design concept is explained and defined in the context of consulting services. Defining and designing consulting services is studied in chapter 2.2. Designing services is bringing up new services through a human-centred and holistic design thinking approach. It is important to study literature on service design and innovation to discover the links between service design, innovation and customers role and well-being in it, to learn the contributions between them. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

2.1 Service characteristics of consulting human resources management

In Finland there are approximately 48000 farms. The average age of a farmer is 53 years and the average size of the farm calculated by farmland is 49 hectares. 86% of the farms are family-owned farms, 9% agricultural groups, 2% limited companies and 2% heirlooms. 70% of the Finnish farms are concentrating in plant production, 26% are concentrating in livestock farming leaving rest of the Finnish farms to be mix-farmers, having several different revenue streams. (Luonnonvarakeskus 2019).

According to Statistics Finland, there are more than 20000 farms in Finland having different kinds of business models outside traditional farming. Normally these business models use the existing resources, like machines, services, products or buildings. Most important business sector is machine contracting, where farmers sell service to other farmers. Also, rural tourism, well-being and care services are popular among agricultural entrepreneurs. As the sizes of the farms and the amount of offered services in agricultural business are increasing, also the need

for employees is increasing. According to MTK, there are approximately 50000 employees including 15000 seasonal workers working in agricultural sector in year 2020. (MTK 2019).

There could be thriving consulting business in human resources in agricultural industry. The world changed from product-oriented to service-oriented and the birth of consulting industry took place. Consultant can be defined as an expert working as an advisor. If business have people-problems and they always will, consultants will have never-ending supply of clients. People-problem prevention programs could include consultant services for employers in getting along better with their employees. (Riddle 2001.)

Researchers have found that organizations HR practices are also indicators on how companies perform financially. HRM has been often unappreciated and suffering from the lack of recognition although it often affects straight to effectiveness of organizations. In agricultural business HRM has not been recognized earlier as organizational success factor. HRM contribution to an organization's effectiveness, efficiency and return on investment and the value of delivered HR services have long been undervalued by managers. (Latham, Ford, Berrios, 2012.)

HRM is about managing and exploiting human intellect. It is more than developing and managing relationships at workplace, it is also finding a balance between organizational and individual goals. HRM focuses on managing physical and emotional capital of employees. (HRM 2019.)

HRM helps managers recruit, select, train, and develop members of an organization. HRM is related with people dimension in companies. It is part of employee's whole life cycle as a worker. (Shivarudrappa, Ramachandra, Gopalakrishna 2009, pp. 5-6).

The scope of HRM includes HR planning, employee hiring, development of employees, payroll management, rewards and recognitions, Industrial relations, grievance handling and legal procedures. Figure 3 shows the scope of HRM in more detail. (HRM 2019.)



Figure 3. Scope of human resource management (Scope of HRM).

HRM makes possible the effective use of HR along with material resources in every company. HR functions can be divided into managerial and operational categories. Organizing the resources needs organizational planning, selection, classification of employees as well as staffing and motivating. (Shivarudrappa, Ramachandra, Gopalakrishna 2009.)

Key components of HRM process are presented in figure 4. The HRM process is always influenced by external environmental factors.

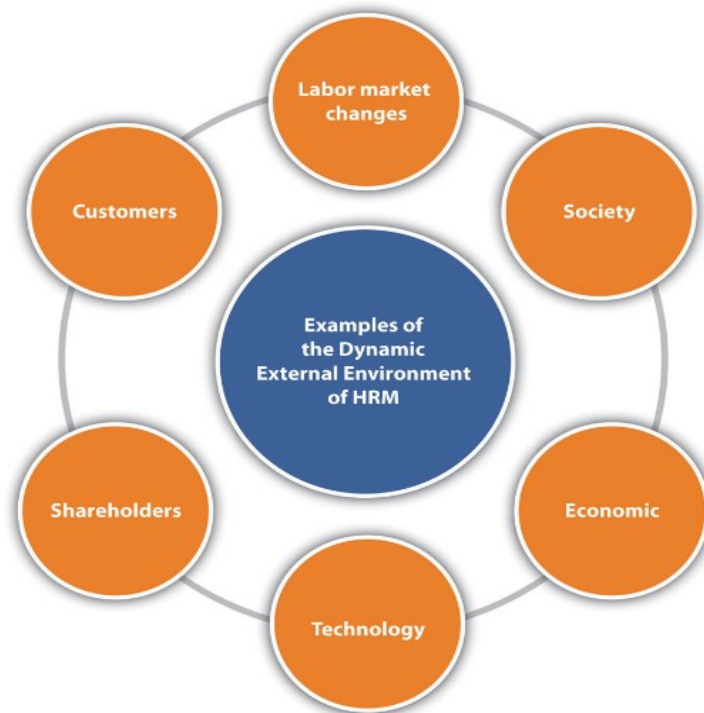


Figure 4. Examples of the dynamic external environment of HMR. (Suvinen, H. 2018.)

As presented in figure 4 organizations operate in dynamic marketplace. The internal environment of HRM includes factors inside the organization. External environment includes factors outside the organization, described in figure 4. Elements of external environment include labor market changes, economic and social factors, changing technology, shareholders and customers. Important is to understand how these factors influences the internal environment and HR policies.

In ProAgria's case the HR services designed as customer-centric, focus in the service industry, offer a way to improve the success of organizations by increasing HR ability. When designing customer-centric HR services it is important to benchmark successful companies to learn the needs and desires that management and employees crawl to be successful and what is the state and capability of the organization. (Latham, Ford, Berrios, 2012.)

HR staff or managers often provides valuable support to the line managers by being an active partner in the HRM process. Dealing with pressing employee situations and supporting team building can add value and profit the company. By

co-working in these processes with HR services offered, the companies benefit from this new appreciation of a client-centric HR services. (Latham, Ford, Berrios, 2012.)

Researchers have been studying that the connection of HR practices with organizations financial performance are important indicators. HR departments lack recognitions and are longing to find ways to show how HR practices contribute to companies return on investments. The value of HR contributes to a client-centric way of delivering these services. Important in client-centric service is to exceed customer demand and expectations. (Latham, Ford, Berrios, 2012.)

Service-centric HR department is supporting managers by designing a process that brings value through products to profit the organization. The organization benefits of the process where HR persons provide value to the company by engaging as an active partner in the process by bringing client-centric approach to production processes. (Latham, Ford, Berrios, 2012.)

HR role in organizations is developing a strategic approach as being a strategic business partner inside the organization. Organizations HR could be considered as strategical actions that integrate company's objectives. In figure 5 there is presented the HR strategy framework. HR strategic planning is about developing company's strategic choices and building a road map to clarify organizations culture, systems, and people. Building the HR road map starts with HR mission statement. It needs internal and external analysis to find out the current state of organizations human resource and its external operating environment. After that starts planning and developing the action plan to implement the strategy. (HR Strategy 2008.)

Figure 1 Human resources strategy (a Price Waterhouse approach)

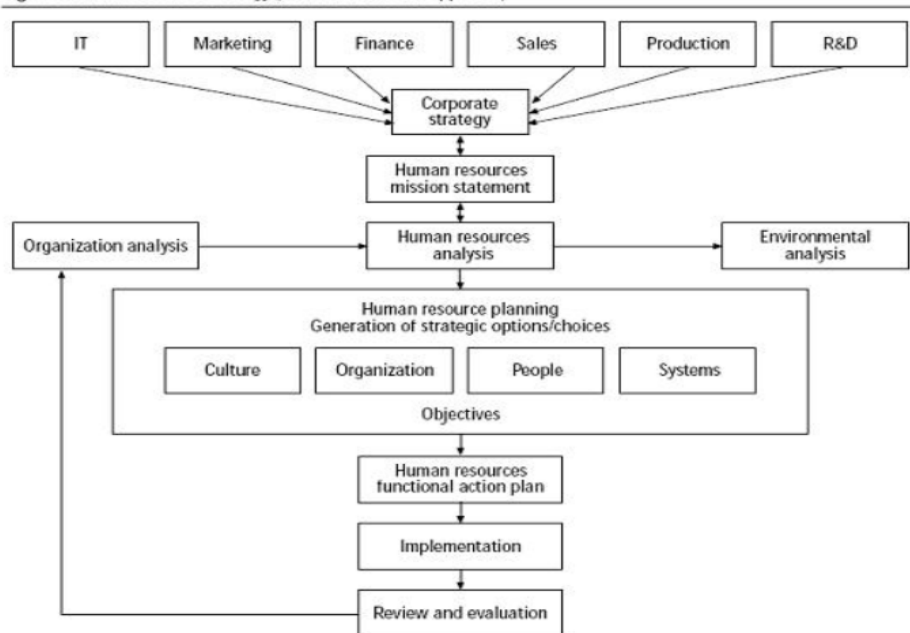


Figure 5. Visual framework about human resource strategy (HR Strategy 2008).

HR professionals, in ProAgrid's case HR consultants, build company's HR function together with management. HR professionals with strategic competencies build HR system that includes high-performance policies and practices affecting organizations employee behavior. HR functions role is planning strategically focused competencies, motivations and employee behavior systematically with client-centric approach. (Hunter, Saunders, Broughs, Constance, 2006. p.13.)

The theoretical findings of HRM are that when structuring HR service offering and fulfilling the value proposition of HR services, the consultants are offering client-centric HR services and a strategic approach to HRM inside the organization. HRM has a connection with organizations financial performance. Managing HR might create value for customers using HR services. In the next paragraph the nature of consultant services will be studied in more detail.

According to Riddle (2001), consultants are hired for many reasons. They are hired for example, because of their expertise and to identify problems. They can also be hired to save money by hiring a consultant rather than hire a full-time employee. A consultant can be hired as a change manager, when changes are

made in an organization, it is easy to hire a consultant to act as a catalyst. (Riddle 2001.)

A consultant is qualified in identifying problems and often brings new viewpoints without worrying the change inside of organizations. The reason for hiring a consultant is either to bring objectivity to the case or to do the dirty work. A consultant might also be hired in learning purposes, educating employees, to establish new business or just to influence people. (Riddle 2001.)

Sturdy (1997) suggested that consultants are bringing security to managers to cover their own insecurity. Managers are often unable to define their detailed needs according to Werr and Perner (2007). (Virtanen 2013, p 24.) In rational purchasing process the most important thing is defining the need first. (Smeltzer and Ogden 2002.) As Riddle (2001) stated consultancy services often solve organization's problems or supplement limited resources or capabilities and to obtain an objective viewpoint. (Riddle 2001.)

The quality of a professional service may increase uncertainty in the buyer's decision. Providing customer references prior to purchasing consulting services, reduces the feeling of insecurity. (Mitchell 1994.)

The vague or inaccurate nature of the customer's original problem specification can provide opportunities for consultancy companies who define their offerings and end goals prior to service delivery and reduces the risk of ordering such services. (Virtanen 2013, p. 23.)

It is suggested by Turner (1982) that defining goals of consulting services in cooperation with the consultant and customer would be one of the most important things in consulting services. Having similar understanding of the goals with the customer is seen widely important as part of managing customer expectations. (Virtanen 2013, p. 23.)

Consultancy service delivery might cause problems and delays of service when there is high level of customer participation. Delayed or unqualified customer contribution can lead to high demand of service management and increase costs and delay service delivery time. (Zeithaml and Bitner 2000.)

According to Bitner (2008) consulting services consists of business partners occasions. These occasions serve mutual agreement to the service delivery goals, like meetings, deadlines and deliverable definitions such as learning targets. The entire sequence and the steps of producing customer value should be coordinated and emphasized. (Virtanen 2013, p. 24.)

Selling consulting services is not the same as selling products. Marketing services rather than products is harder because you are marketing services to people who may not have realized that they are in need for your services. (Riddle 2001.)

As earlier stated of the characteristics of consulting services there are multiple challenges when it comes to designing these services. Consulting services are people-centric, and customer-focused. Services rely on professional knowledge and creativity and the goals should be defined and agreed by both parties. The research of Virtanen (2013) showed that customer focus and standardization can be achieved by variety. Virtanen (2013) noticed in his research that the productization of professional consultancy services is much more complicated than productizing business to consumer services. (Virtanen 2013.)

According to Bitner and Brown (2008) the importance of services has increased and according to Berry (2006) and Johnson (2000) every company should engage in service innovation to stay competitive. (Valtakoski & Järvi 2016.)

The theoretical findings of service characteristics of consulting services answers partly to the research question on how to ensure successful operations and fulfilment of the value proposition of human resource services. The main finding of this part of the theoretical framework is that consulting services are complex by its nature and there is a need for customer participation. Customer value should be coordinated and emphasized by creating a similar understanding of the value of the HR services with the customer.

2.2 Defining and designing consulting services

Designing services in service innovation process is understanding customers in their context in a way that brings innovative ideas to life, developing new solutions

and testing the prototypes. Service design is a creative human-centered approach to service innovation that combines for example service marketing, service operations and interaction design, that are integrated through design-based approaches methods and tools. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

Service design and innovation are crucial in creating new forms of value when co-creating with customers, organizations, and other social actors in general. Innovation of services creates values in a service network for the parties involved in it. This innovation of services is created through a process or service offering. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

These characteristics of consulting services can be seen problematic as well as a high opportunity. The delivery methods are highly inconsistent depending on customer's needs and systemizing them is a great challenge. Delivering consultancy services is costly and the potential benefits of systemizing the service processes is economically huge. It can change the cost structure of consulting services delivery in a way that service quality improves and customer value increases. (Virtanen 2013.)

Globalization and competitive pressures in technology as well as the growing share of services in the manufacturing sector makes service innovation the developing key to economic and social development. As the new process or service offering creates value to customers or organizations that participate in the value creation process, it often brings new combination of resources. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

Productization is based on standardizing the offering, the delivery processes and managing the service's tangible properties. Creation of consultancy services focuses on the customer as individual and the customer's role affects in the delivery of the final service proposition. (Virtanen 2013.)

As the concept of service innovation is sometimes being seen like new service development, its focus is on the process of developing new service offering. Service innovation instead focuses on process outcome, to answer customer's needs. Services are considered in terms of what and how they effect on customer thinking, participation, and capabilities to create value for the participants of these

services. A new solution of service innovation is creating non-existing value aspects like, experiences, differentiation or help for example. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

Prototyping services and gaining insight value from customers and their experiences are essential when translating these insights into a service proposition. This process brings feedback from the entire service proposition and experience as well as of the design of the physical touchpoints. (Polaine 2013.)

When building services based on genuine insight of the users it secures the delivered value of the service. Applying design to all service elements, human experience of the service will be fulfilling and satisfying. This way service design results can be more effective considering used resources when service performance is measured right. Important is to study the nature of services and how they are delivered. (Polaine 2013.)

Customers experience services in totality and base their judgement on the wholeness of the service that brings them value. The service experience builds up from the customer's interactions and service quality. It can be defined by how well the touchpoints work together for the customer. (Polaine 2013.)

Service design has more emphasis on qualitative research methods than quantitative, because when concentrating on individual personalization of services it brings huge opportunities for organizations. It is possible for all organizations to bring value by personalizing services and create potential benefits for themselves and their customers. In service design it is important to gather insight information from all the stakeholders of the project, focusing on detailed knowledge of customers and creating advantages out of it. (Polaine 2013.)

In qualitative research it is important to gather the needs, behaviors and motivations of people to be able to answer to the basis of the design problem. It helps the designer to create a deeper understanding of customer behavior when creating services. Service design differs from classic user-centered design the way it involves people in the service design project. Services are designed with them,

not just for them. Service design process involves customers, users and the service offering professionals and or consultants, to verify the success of the service by their experiences. (Polaine 2013.)

Important in-service design process is to measure the variation in quality between the touchpoints and the gap between expectations and experiences. Customer satisfaction will be achieved when there is only a minimal gap between customer expectation and experience. When designing services, it is important to research different journeys people take and how they transit during various touchpoints during service and what kind of relationship they engage in different stages of the service rather than segmenting customer groups. (Polaine 2013.)

From a service point of view, it is important to form a whole customer experience. Researching people when using services, brings understanding on how they use the service, what kind of needs and desires they have, to be able to create service insights and finding the touchpoints to be able to create a good service. In figure 6 there is a detailed model of the service relationship described. Creating value with the service for customers is essential for the success of the service design. (Polaine 2013.)

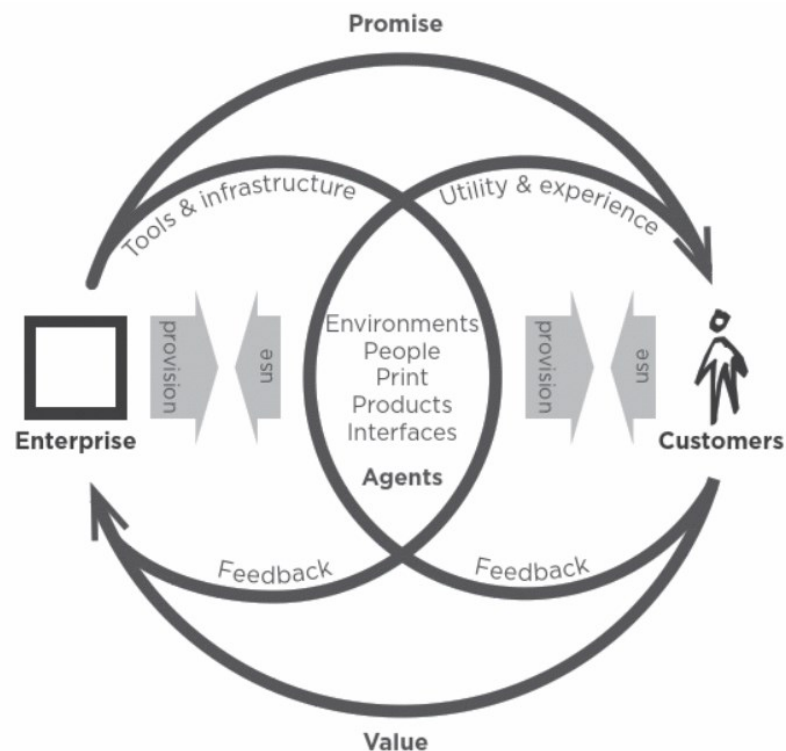


Figure 6. A detailed model of the service relationship. (Polaine 2013.)

The role of the organization is to deliver the tools and infrastructure for service deliverers needed to deliver a good service experience. There are many touch-points across the service delivered by agents or consultants who are in contact with users through channels for example e-mail, telephone, face-to-face. The organization itself doesn't deliver experiences, but the role of the organization is to create the ability for agents and consultants to provide great service experience. (Polaine 2013.)

The purpose of innovative design thinking is to engage people's feelings when designing new products. There is a lot of new products on the markets and people have a lot of expectations towards new products. The question is how to get people to enjoy and relate especially of your new product. Building product's personality, which is the key critical element to its success, helps you to design your new products so well, that people fall instantly love with them. (Kolko 2014.)

Emotional engagement is at the core of design-focused product development. How people feel, when using the product. People have the need to personify products for them to relate to the products on emotional, human level – especially digital products. Personality insights, the way people behave naturally, is the key to product innovation.

Designing innovative products is the process of innovation, it is not just listening to people, it is also listening to data. Observing people's behaviour is the most important thing to remember when creating interesting and successful products. Be creative and concentrate on customer emotions. Design thinking process shown in figure 7. (Kolko, 2014.)

Design Thinking Process

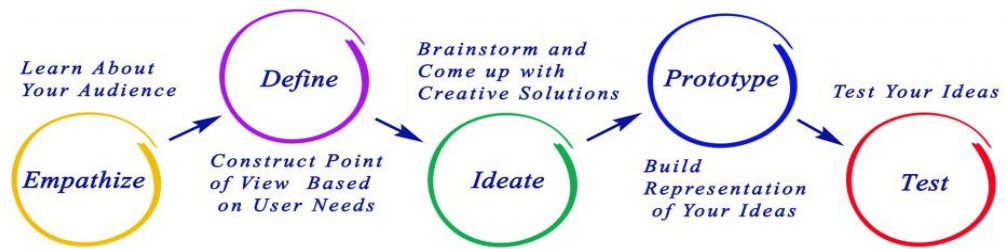


Figure 7. Design thinking process (Design Thinking 2017).

In the early stages of service development, it is important to create an environment where it is possible to test the service with people. It is efficient for organizations to design and test the service experience beforehand resources are spent on designing the processes and technology needed for the services. (Polaine 2013.)

Experience prototyping enables gaining a deeper insight by bringing details of the touchpoints and might lead directly to the final detailing and building a service design. The level of insights gathered this way is deeper than by interviewing people only. (Polaine 2013.)

Piloting services enables learning from a large group of customers to allocate what resources are needed for the service. Pilot offers systematic evidence for new service design because it gathers evidence of the business case solution to customers and users by improving the value of the service for the customer. (Polaine 2013.)

Service is a process that includes touchpoints that can be seen by the customer, front stage processes. Services also include background processes, that are not seen by customers. This is demonstrated in figure 8. (Tuulaniemi 2011.)

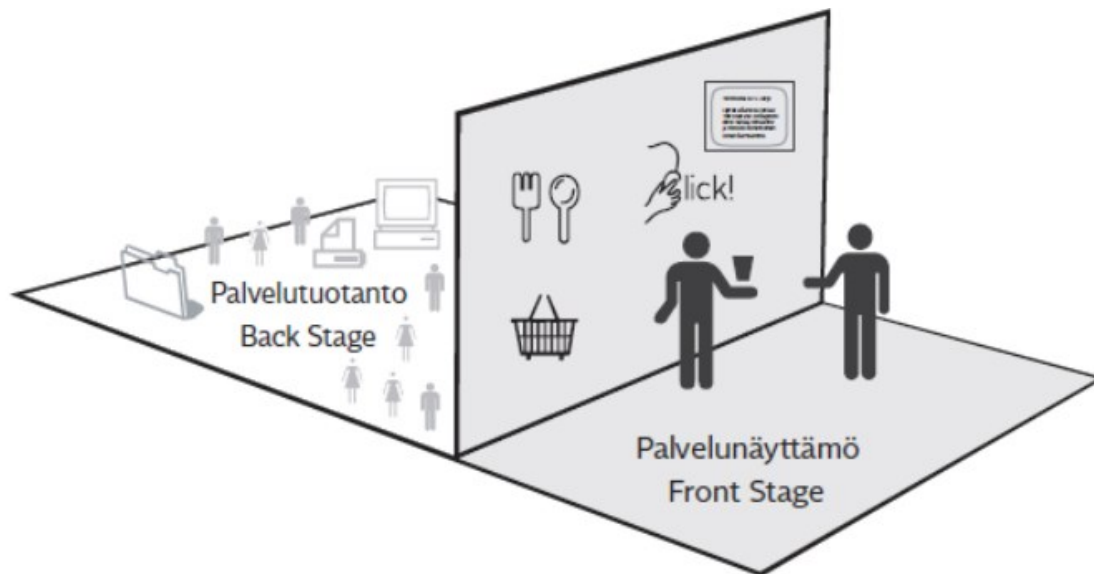


Figure 8. Service process. (Tuulaniemi 2011.)

Service design helps to create also backstage processes for organizations. It defines and develops the innovation process of an organization with the people involved in the process. It combines customer and business expectations to create a framework and tools for service design. Service design defines valuable organizational resources and develops organizational structures to be able support consultants and agents working with the customers when offering service experiences. (Tuulaniemi 2011.)

To be able to deliver good customer experience consultants and agents need tools and infrastructure to get feedback from the service. Frontstage adds value by fulfilling customers' expectations and customer promise when consultants offer service experience. (Polaine 2013.)

The innovation of services is often connected to new service development, that focuses on developing a new offering. Instead, service innovation focuses on the process outcome. The process be seen as a similar process than developing new products. The development of new services is, however, quite different compared to products, because it involves customers and brings profitable engagement when developing new services. The underlying logic is focusing on the service as an experiential component, which in turn generates more value in use. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

Earlier service design was one stage of new service development process. This led to situation that now service design is approaching towards more open, creative, and collaborative service innovation development. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

The focus on service innovation should be on customer value, because from a market offering point of view and from service organization perspective, new service is only attractive when it generates value to customers. Customer value is created when the customer integrates and applies the resources of the service provider with resources in their own context. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16)

Customer value information can be difficult to transfer to the value creation processes of a company. Identifying and adopting the information knowledge from customer's context is often difficult and expensive. This is the reason customers are taken as participants in developing offerings. This active participation of customers in service innovation implies that customer's help actively in innovation processes as they have the best understanding of their own contexts and needs for the service. Organizations can discover and experiment services in customer context this way and the outcome may lead to new innovation. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16)

Services have many links to people and related activities. It's important to visualize your customers, both present and future customers. One approach is to focus on the very essence of your service. This process is called simplification of service. Simplification means eliminating all non-essential from your service, this is how all essential activities will be done with maximum effect. These complexities of activities are dependent with your customer relationship. Customers may appreciate several aspects of your service. (Kurokawa. 2015.)

Customers' expectations and needs as well as their limitations are important insights information when creating service-oriented human resource services. There is three important parts in customer experience, that are the product, environment and service delivery. Human resource service strategy, staff and systems can be designed to meet expectations by studying customers performance,

needs and goals. It is a way to identify how to make customer satisfied by provided human resource services even though it would have been difficult for them to define their needs. (Latham, Ford, Berrios, 2012.)

Important is to understand why customers want these services and what are their expectations to be able to provide an outstanding customer experience to meet their expectations. (Latham, Ford, Berrios, 2012.)

Business model canvas is used in describing company's strategies and value. It can also be used in design a plan for the company for business activities. Business model canvases are used to design services in order to create value for customers to make profit for the company. Osterwalder's business model canvas is used for this research and is explained in more detailed presented in figure 9. Business model canvas is used in forming value propositions for specific customer segments. It is a service design tool for a company to collect the business plans and create innovative business ideas. The canvas tool is used to gather key resources, costs and revenues of the service in each specific customer segment on one page. This helps to create the value proposition of the service in each customer segment and helps to identify the offered value proposition. (Osterwalder, Pigneur, Clark, Smith & Pijl 2010, 5-51.)

The Business Model Canvas

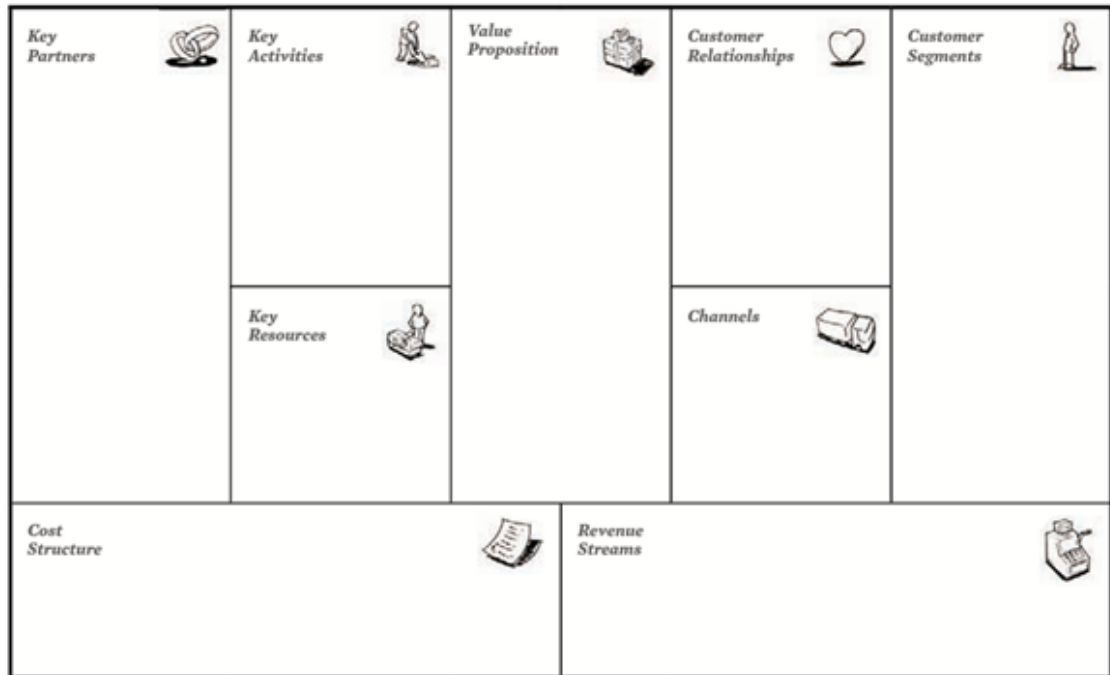


Figure 9. – Business model canvas template (Osterwalder et al. 2010, 44)

Important is to consider the decision-making process of the buyer. More complicated product – harder to make purchase decision. The product should also be uniquely designed by your company's values. For example, customer service and the loyalty and trustworthiness of your company resonates straight to customers emotions. It is easier to humanize technology if the customers believe that they will benefit from the given technology somehow. Studying market signals is important to learn how attitudes changes in the market. (Kolko, 2014.)

When developing a new product, the most important thing is to think of the value that the product delivers to its customers. This value will differentiate your product from the competitor. If you want to drive product differentiation, you need to identify your existing brand values and key emotional facets. Ask questions why, how etc. and imagine you lost to your competitor. Find out the reason why and you will build yourself a defensive product strategy. (Kolko, 2014.)

Creating a service blueprint means identifying the service offering. First the service offering is mapped. When designing service delivery process defining customer segments before service blueprinting is important. Service blueprinting starts with mapping service processes, customer's and company's processes. In

the end of the process the tangible aspects of the service are connected to customer's process. Service blueprinting is service design tool that is used in the second phase of productization of product or service. It helps to understand both customer's and company's steps of the designed service. By creating a map of the service process, it is easier to identify the steps that requires input from the customer and insider support from the service provider and link tangible elements to the service. By service blueprinting the service it is easier to find the pitfalls of the designed service and automate service steps. (Virtanen 2013.)

By using service blueprinting it is easier to determine the service actions and steps that needs to be included or doesn't need to be included in the service. Service blueprinting helps to identify customer contact points and find failures from the service points. This helps to secure the fulfilment of service value proposition. It shows the points were failures might occur and how to prevent them. The blueprint helps in arranging service facilities by identifying the needed materials and equipment. Service blueprints can be used on a regular basis to improve the service or to evaluate the service productization. (Virtanen 2013.)

The service blueprint can be seen as a picture of service process where actions of the customer and service provider are described, consisting from customer and employee actions, visible and invisible contact, support processes and physical evidence. The visibility separates the activities from the front office, where customers receive tangible services, from the back office that is physically separate but links the company's internal actions to the service experience. (Virtanen 2013.)

In summary, the theoretical findings of the service design help to answer the research questions as service design is a design thinking process that engages customers. By using service design methods in the empirical part of this research it is easier to fulfill customers' expectations on human resource service value proposition. Service design is about finding deeper customer insights with designing, creating and prototyping human resource services together with them.

Since the focus of this research is to analyze and structure human resource service offering via service design tools, the main findings from the theoretical framework of this research are that, the customer perspective should be truly valued and taken into consideration when creating HR services. It is important to create attractive services for customers and find out differentiation aspects from competitors. Creating value for the service with customer co-creation adds customer interest and bring value, although the project design outcome is not tightly set. (Jung-Joo, Jaatinen, Salmi, Mattelmäki, Smeds & Holopainen 2018; Osterwalder et al. 2010, 128-129.)

3 Research methodology & data collection

3.1 Qualitative research

This research is a qualitative case study research. It is conducted by semi-structured interviews, as well as by participant observation and experimenting in the customer context, in real life situations. Answers for the research questions are studied by case study interviews and by literature review.

As Patton (1999) suggests, triangulation refers to multiple sources of data in qualitative research. It is used when discovering a comprehensive understanding in qualitative research. It could be used to test the validity of information from multiple data sources. There are four types of triangulation methods: 1) method triangulation, 2) investigator triangulation, 3) theory triangulation, and 4) data source triangulation. (Carter, Bryant-Lukosius, DiCenso, Blythe, Neville, 2014.)

In this research the first type, method triangulation, is used. Method triangulation uses many methods of collecting data from the same research topic at the same time. (Polit & Beck, 2012). This type of triangulation is used in qualitative studies and include interviews, observation, and field notes. (Carter, Bryant-Lukosius, DiCenso, Blythe, Neville, 2014.)

There are different qualitative research methods used in this research to create a valid research result. The data is collected with many methods including obser-

vation, interviewing, and studying customer companies HR documents. Adaptation of qualitative research methods is carried out during a real time piloting of HR services. Participant observation as a qualitative research method has a significant role in this research. The researcher observes the environment while gathering the data bringing deeper and unique understanding of the HR service piloting project. This study is focusing on companies who are part of piloting ProAgria's HR services. In this case study, the data is collected concerning a single case.

In the empirical part of the study the researcher interviews the farmers to study the feedback regarding pilot HR services and the reasons behind attending to this piloting of the HR services of ProAgria. The piloting of HR services in the organizations and role of subject matter in the project affects the empirical findings of this study. The researcher explains also the reasons behind this project and how designing services in service innovation process brings innovative ideas to life. Empirical part of the study represents a descriptive research. Descriptive research helps to understand the context of service users in order to develop services and testing the prototypes with service design methods. (Patrício, Gustafsson, & Fisk. 2018, pp.3-16.)

3.2 Empirical data collection

This chapter explains the empirical research method selected for this study and the data collection process of this research. Due to service design context a qualitative research method with an exploratory approach is used for this study. In the last chapter the reliability and validity of the research are discussed.

The aim of this research is to structure human resource service offering via service design and find out how to ensure successful operations and fulfillment of the value proposition. A qualitative research method seeks answers to "why" or "how" questions.

Qualitative research methodology investigates personal ways of people seeing and feeling the empirical world, it explains descriptively their own experiences by gathered data. Qualitative researcher gets personal understanding on people holistically in their own natural context. (Taylor, Bogdan, DeVault 2015.)

This research is conducted by semi-structured interviews. Interviews engage people in their own context and get them to explain how they feel when using services. In service design it is important to choose the right personalities for the survey to be able to collect more understanding of the customer preferences.

Inductive qualitative research creates concepts from the research data by defining insights. Grounded theory approach refers to inductive process inside qualitative research building a theory framework. The theory is derived and based on the data itself. (Taylor, Bogdan, DeVault 2015.)

In qualitative research, a flexible research design can be used, to learn on how people view their experiences to make decisions. After spending time on the setting and learning on participants experiences, data can be collected. In grounded theory method researcher examines individual experiences and derives the answers from the gathered data. (Taylor, Bogdan, DeVault 2015.)

Qualitative data analysis is being considered difficult because it is a process of inductive reasoning and theorizing. The grounded theory approach is being used in this research as it is a method that derives straight from the data rather than existing theoretical frameworks. (Taylor, Bogdan, DeVault 2015.)

The data of this research was collected during a 12-month period, presented below in figure 10. Primary data was collected in Proficient Leader project workshop explained in chapter 3.1.1 and from different test pilots, 5x5 experiments, explained in chapter 3.1.2. The primary data was also collected with customer and consultant interviews explained in chapter 3.1.3. This research process can also be considered as design thinking process of ProAgria's HR services, the theory of design thinking process was presented in figure 7 in chapter 2.2.

The empirical data was collected by discussions with ProAgria's personnel and customers after piloting HR services. The researcher acted as HR consultant, being able to observe consultants and customers actions during the research period. The discussions between research observations were unofficial, notes were taken and saved to ProAgria's customer files, but the discussion were not recorded. The gathered empirical data was used in designing the HR service business model.

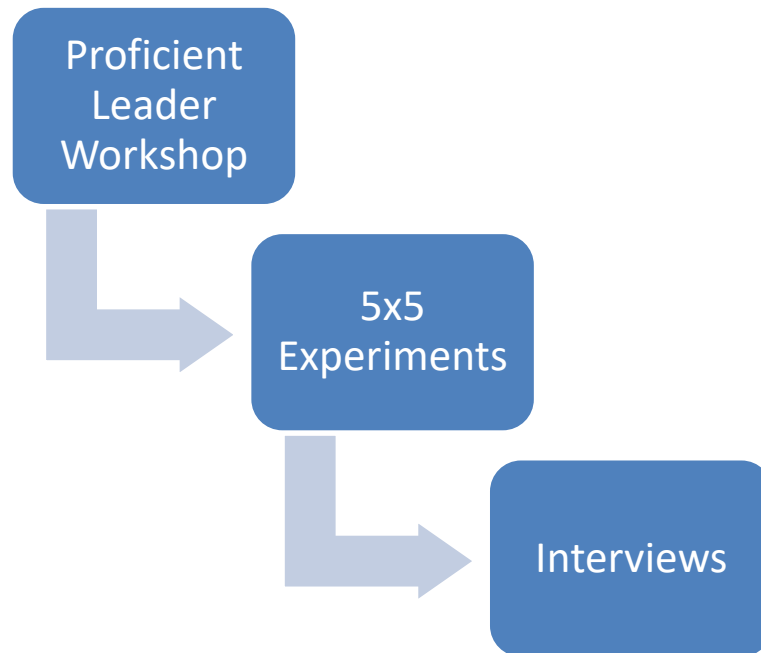


Figure 10. Data collection and design thinking process during the research.

Data collection process described in figure 10 was implemented during the proficient leader project. HR services were executed to ProAgria's customers and the transactional data was gathered by HR consultants to company data. When testing HR services, the starting point was an individual sales transaction, where the services could be tried and tested by the customer. After the pilot phase, 5x5 experiments of HR services, the researcher interviewed the customers and HR consultants. Following the grounded theory approach the researcher interviewed and examined participant's interview narratives. Transcripts were prepared after the recorded interviews.

The empirical data of this research was gathered from the theory inputs, stakeholder workshops and recorded interviews by using service design methods to conduct the interim analysis. The gathered empirical data was analyzed and generated into insights and refined in stakeholder workshops to set mutually shared goals for design principles and concepts of services, which could then be evaluated through experimentation and feedback.

3.2.1 Proficient leader workshop

In the innovation phase of ProAgria's HR services, ideas were collected by using group creativity technique called brainstorming. Brainstorming was done by gathering a list of ideas spontaneously contributed by consultants in proficient leader group meeting.

As part of the human-centric research approach, the design toolbox called brainstorming and mind mapping technique were used in this research. Empathy is a critical part of human-centric design approach and that is why empathy mapping was used, to get insights of the customers. These particular tools helped the proficient leader – team and the researcher to develop a deep and shared understanding and empathy of the customers. A workshop was held where brainstorming and mind mapping technique was used to clarify the activities and feelings of the customers and share the feedback of the consultants. First there were group discussion held where consultants familiarized other consultants to their customers and their customer cases. This gave the opportunity of focusing the observable phenomena and chance to imagine what it feels like to walk inside their customers shoes and get a feeling what it is like to be one of the customers. After that the team created a mind map presented in picture 1.



Picture 1. Mind mapping technique in proficient leader workshop.

After this workshop, the service design process proceeded to 5x5 experiments explained in the next chapter.

3.2.2 5x5 Experiments

In service design context prototyping means testing the services with customers to develop and design better services. By piloting HR services, it is easy and quick to test if these services are interesting, preferable and easy to use for the customers. Piloting services help in finding strategically fit services for the organization to create customer value. Piloting and testing the HR service product gives the possibility to improve and develop better services with customers. Received customer feedback helps to design the HR service content and service prototyping helps to avoid the gaps that HR services might possibly have.

The idea behind piloting HR services is to benefit from designed experiments. The aim is to learn more of the end-users of these services, giving the opportunity to learn customers' habits. This can be considered as a low-cost investment of innovating HR services. Through piloting and testing HR services consultants have the possibility to improve and develop better services together with the customers. Received customer feedback helps the researcher to design the service model. Target of this service prototyping is to increase awareness related to services, point out new ways of service thinking, define what kind of services are offered and what kind of services could be offered in the future. Increasing understanding helps to avoid the gap in offered HR services between customer's expectations towards these services.

The business experiments can help drive service innovation. The idea of 5x5 experiments can be considered as a useful tool for business innovation. 5x5 experiment means having a diverse team of five employees come up with five experiments that can be tested within five weeks, for under €5,000 each. The idea behind this method is to provide a new opportunity for alignment between the visions and aspirations of management and the consultants inside ProAgria and to interact with customers at the same time. It helps to boost the human capital and creativity with participants of the pilots. (Dizikes 2014.)

The 5x5 HR service experiments were planned after the proficient leader workshop. Experiments were based on the customer insights created with the mind mapping technique in the workshop. The aim was to test the human resource services by pilot case studies to learn more about creating customer value.

The designed HR service pilot cases were:

1. Leading workplace well-being
2. Personnel as organization's investment
3. Employee experience and recruitment
4. Basic human resources management
5. Guidance for employees with labour

The idea behind the designed HR service experiments was to create solution to customer's problem, for example when the customer needs a new employee. The value for the customer is a ready-made service for recruitment and a new hired employee after using the service.

The experiments were designed to answer customer's problems by the HR consultants, for example when there is a need for recruitment. The designed service path:

1. HR consultant starts from identifying customer problem to find out the hiring needs.
2. The consultant prepares a job description after discussing with the customer.
3. The customer starts talent searching or the HR consultant starts looking for the desired new employee.
4. After finding possible applicants the customer screens and shortlists the possible candidates.
5. After matching candidates, HR consultant or the customer interview's the applicants.
6. After the applicant interviews, the customer evaluates the applicants and offers employment.

7. HR consultant offers to make introduction and induction for the new employee as well as employment contract and other needed paperwork.

If the potential customer is hiring employee for the first time:

1. The consultant designs orientation program for the company.
2. The consultant prepares work instructions for the new employees after consulting the employer personally.

The HR consultant helps to execute business processes of the company in order to achieve compliance with the quality management system. Employees are inducted to their tasks according to the required policies and regulations to ensure that the organization keeps all the documented information for ISO quality audits. The HR consultant helps companies to achieve their goals, for example: entrepreneur needs to hire a new employee, he contacts HR consultant to meet the goal of hiring new employee as quickly as possible. The target is to ensure that the product fits to the needs of the customers and markets. It means simply the ability to understand what customers need, want and desire. When bringing design to service management, it is possible to answer customers' needs and delight them. A new level of emotional connection will be achieved with people using the services. (Kolko, 2014.)

Companies usually design their business according to managements point of views. New business ideas are planned through the new idea creation process in workshops for example. Some companies use marketing research to get new ideas or feedback from their customers, but it might result in limited viewpoint when designing new services. To find out customer insights and to learn what customers truly wish for and what gives them value, the best way is to design new services with them. (Jung-Joo, Jaatinen, Salmi, Mattelmäki, Smeds & Holopainen 2018; Osterwalder et al. 2010, 128-129.)

Since the focus of this research is to analyze and structure HR service offering via service design tools, the customer perspective should be truly valued and taken into consideration when creating these services. It is important to create

attractive services for customers and find out differentiation aspects from competitors. Creating value for the service with customer co-creation adds customer interest and value, although the project design outcome is not tightly set. (Jung-Joo, Jaatinen, Salmi, Mattelmäki, Smeds & Holopainen 2018; Osterwalder et al. 2010, 128-129.)

In finding out customer insight and feedback from 5x5 HR service pilots they were interviewed afterwards. In the next chapter the author explains the interview process in detail.

3.2.3 Interviews

After the 5x5 HR service experiments, three of the customers were interviewed for this research to get an overview of customers feelings and thoughts of the piloted HR services. Three customers and three HR consultants were interviewed with semi-structured interviews. The interviews were recorded and lasted from 34 minutes to two hours minutes, see figure 11. Interview questions are presented in appendix 1&2.

The interviews were transcript by the researcher and approximately one to two pages was written of each interview to gather the findings. Interviewed customers were chosen from the companies that piloted ProAgria's HR Services in proficient leader – project. Interviews were in-context interviews and open in their structure. The target was to gain insights from individual's perceptions, behaviours and needs. Interviews were also good way to undercover values, opinions, information as well as idea inspiration. Interviews provided an opportunity to explore relevant issues with pilot participants and to achieve a consensus on what they want and how they felt during these services.

| Profession | Significance for this study | Duration |
|-------------------------------------|------------------------------------|-----------------|
| Management Specialist/HR Consultant | Consultant viewpoint | 1h 20min |
| HR Consultant | Consultant viewpoint | 2h |
| Management Specialist/HR Consultant | Consultant viewpoint | 1h 30min |
| Entrepreneur, Dairy Farmer | Customer viewpoint | 42min |
| Entrepreneur, Strawberry Farmer | Customer viewpoint | 1h |
| Entrepreneur, Cattle Farmer | Customer viewpoint | 34min |

Figure 11. Interviews of this research.

As a qualitative researcher, the intention was to create a situation where people naturally talk to each other about important issues. Researcher's intention was to relate to the respondents on a personal level. Purpose was to communicate with genuine interest on people's experiences and preferences, to learn what is important for them when using HR services. The pilot case study was conducted prior to the recorded interviews. After collecting the interview data, it was easier to specify the research questions, identify the relevant literature and present the research design. This might enhance the credibility of this research.

The researcher planned on studying ten customers in this research, but it was difficult to specify in advance the size of the study. Unfortunately, the Covid-19 pandemic made interviewing rather difficult and many of the interviews were cancelled. After carrying out the HR service pilot research, it was obvious that it is necessary to study HR consultants to get a wider perspective for this study. Inside 6 months period, the empirical data of this research was collected by in-depth interviews and recorded. Three customers and three HR consultants were interviewed.

The empirical data collection for this research was conducted by Microsoft Teams interviews. The respondents were interviewed in Finnish to avoid misunderstandings and to get best possible insights from them. Interviews were pre-defined open-ended questions and the interviews modified as open discussions to discover the processes in the case companies. The questions were not given beforehand. Questions are viewable in appendix 1&2. The researcher gathered notes during the interviews in bullet points and transcript the interviews from the tape recordings.

The insights from the interviews related to piloting ProAgria's HR services are presented below. The customers that were interviewed came from different agricultural businesses and they all had employees. They were attending to different HR service pilot projects. The main finding of the interviews will be presented in figure 13 and discussed later in the next chapter.

4 Results of this research

This chapter analyses the empirical data of this research via service design. It explains the chosen service design methods and discusses and analyses the gathered empirical data of this research.

Service design methods for designing ProAgria's HR services were chosen, because service design is putting the customer first. Service design thinking process makes sure that each customer segment gets tailored experience and unique service. Service design thinking process includes four stages: exploration, creation, reflection, and implementation. The process of building customer-centered

service starts with gathering insights about the customer, its characteristics and culture. Next step is to gather customer experience before, during and after using the services. Important is to learn the existing customer problems in each touch point of the service. The service design thinking process is presented in figure 12 below.

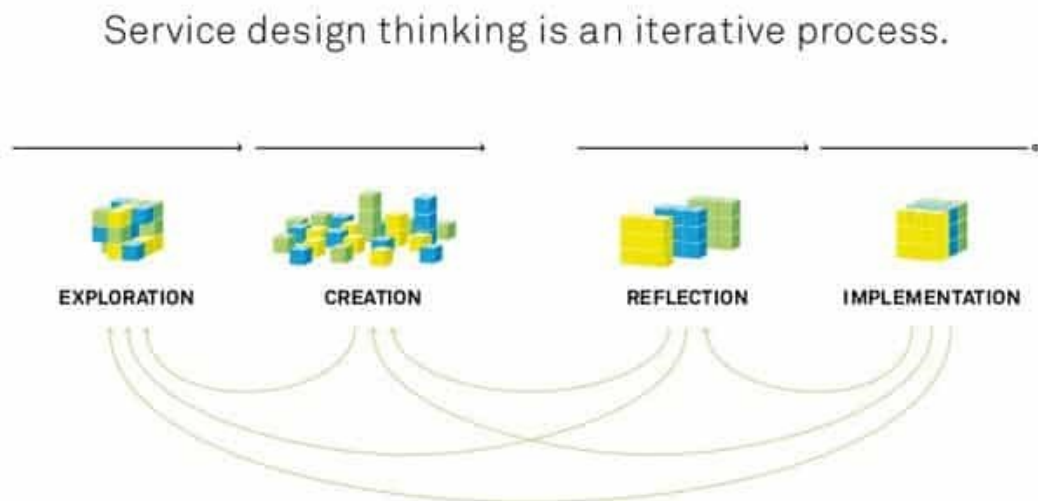


Figure 12. The service design thinking process (Elmansy, R. 2016.)

As part of the service design process the data is analyzed and reflected with service design methods in this chapter. To understand how ProAgria's customers and consultants experienced prototyping HR services the collected empirical data of the service process and experience are visualized with service design tools and explained later in chapters 4.2 service journey mapping and 4.3 business model canvas.

4.1 Insights from the interviews

This paragraph will demonstrate the overall insights of the interviewees, providing the reader a better understanding on the research findings. This will provide additional value on the actual research findings. As part of the service design process, the customers were interviewed after piloting HR services. The main findings from the interviews are presented below in figure 13 and explained.

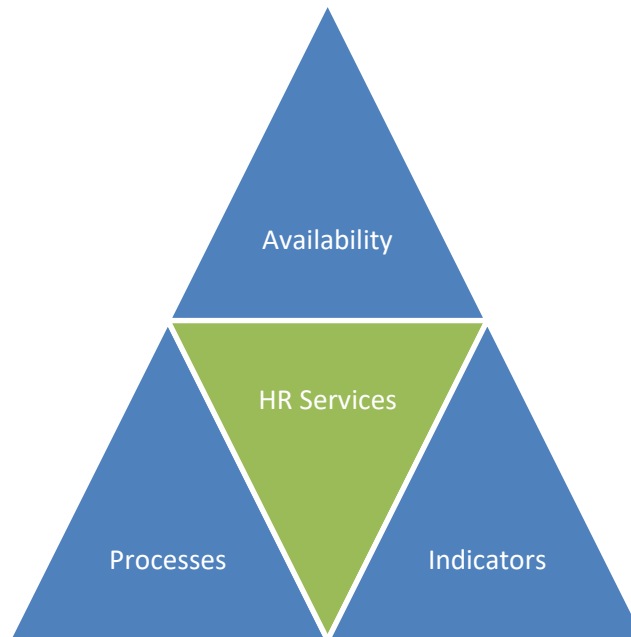


Figure 13. Main findings of the interviews.

According to the interviews the respondents did not have educational background on HRM. The responses from the interviews showed that the HRM issues and concepts are unfamiliar. Prior to the research the interviewees clearly showed no initial expectations of the HR service pilots. The interviewees showed no bias nor did they express feelings or thought of the final results.

Throughout the HR service pilot research, the interviewees started to see concrete results in practice. In addition, the overall expectations towards HR consulting services started to grow. In the beginning of the piloted services, it was considered rather hard to comprehend and recognize the situation where they could utilize HR consulting services. The pilot researches were not conducted for the aims of operative targets rather they were based on consultants' own motives. The HR services offered in the research were not based on the mutual targets set together with the customers or the quality or results of the work. Due to the lack of efficient monitoring clear vision process strategy the interviewees were unable to recognize the effects of the HR services.

During the interview's researcher noted, that the farmers main concern was over the productivity of their employees. They were also concerned about their own personal HRM skills. Focusing only on the productivity of the employees they

might have been missing important actions, and this might affect to employees' output. During the piloted services it was evident that in agricultural businesses there are employees that are lacking either ability or motivation. Farmers faced a lot of these motivational challenges with their employees.

The understanding of the employee's needs is fundamental to effective HRM. As an observer of this research the researcher points, that there are many existing employee managements tools that farmers could use to tackle these challenges and improve employee motivation and productivity. This should be taken into consideration when designing HR services.

During piloting it was evident that there is existing need for operational management support in agricultural organizations. Having a plan with timetables and weekly meetings with employees where targets and progress was being discussed helped daily management and operations. Bringing lean strategical tools to operational management support, resulted into achieving the set targets and better financial results with employees. When these management tools were missing employees had challenges or they were unable to focus on targets. Working was ineffective, because of the lack of planning or correct tools. Conducting effective meetings and communicating with the employees resulted in better motivation and workforce planning, as well as financial results in the organization. In the beginning there was hardly any management processes inside these pilot organizations, nor existing indicators to be able to measure HRM results.

According to the interview insight, the knowledge and interest in recruitment within Finnish farmers is not very high. It is rather something they just need to accomplish as they need workers to help them, to be able to reach their own targets. The successful recruitment process is essential for agricultural businesses, as labor law in Finland secures employees' rights very tightly. Therefore, in case the employee's and employer's interest does not meet, the results can be far-reaching. The better the employer knows the rules and regulations and even offers some enhanced benefits; the better employee thrives and performances in. In agricultural context considering seasonal-time workers demand, it is good if the same workers come every year, as the introduction period is shorter, and

workers are more profitable from the beginning of the season. What comes to full-time employees, it is essential that the same workers stay for a long period.

The quality of HRM in agriculture is varying case-by-case. Managing HR in agricultural organizations varies in things like managers personality, the number of employees, ownership, organization culture or the situation. Agricultural organizations differ in their operative nature. Others are operating like family-owned corporations and others are operating like business-owned corporations. This makes designing HR services problematic. HRM is stigmatized unprofessional in a sense that the companies are facing major changes and growing from family-owned businesses to bigger operational units. As one of the farmers described after the piloting phase:

“I realised that there are different stages in management, and I need to step out of the operational work and start acting like a supervisor for my employees.”

This is problematic in a sense when designing HR service offering, as recognizing the need for these services is consider difficult by the customers.

The researcher also interviewed three HR consultants that were part of the proficient leader – project and participated in planning and offering these pilot HR services. In this research the HR consultants agreed that recognizing the need for HR consulting for customers was difficult, even though they could easily describe different problematic HR issues and for the consultant it was easy to recognize what services could be offered. HR consultants described that in the beginning of the pilots it was hard to define what would be the outcome of the given service in the customer organization and what the services offered would include. ProAgraria did not serve any background support for these services to consultants. There were no existing tools to implement the HR services provided, as there were no existing HR solution or software in use at the customer organizations. The presumption was that the HR consultants would use customer’s existing HR solution or software, but already in the beginning of the pilots it was rather obvious that none of the customer’s used or had any tools for managing HR.

As ProAgraria's customers have usually under 10 employees or they employ only seasonal workers, they are lacking the needed tools for managing HR issues. This made it difficult to define the indicators to measure the service provided by the HR consultants, because there was non-existing earlier data, nor tools what could be used for measuring the results or to help customers in HRM issues. One of the main findings during the 5x5 experiments was, that there was no existing tool for agricultural purposes to track employees working time. Customers were mainly using excel sheets or pen and paper.

As it was discovered that there were no workforce planning tools, it resulted to adding a time tracking application design to the proficient leader – project, to being able to serve customers, help their employees time tracking management and define the needed follow up indicators for agricultural employment.

When helping agricultural organizations with the recruitment of new employees, customers needed help during the whole process. Many of them had experience in recruiting employees but wanted sparring with interviews and job advertisements. Agricultural organizations were lacking work orientation processes and had the need for help in onboarding processes. Human resource consultants created job orientation procedures and electronic onboarding manuals for customers. Onboarding affects straight to job performance, productivity, employee well-being, employee commitment and job satisfaction.

In summary, the main findings of the interviews are shown earlier in figure 13. The main finding of customer insight information is that HRM is rather new concept for entrepreneurs. Employment and managing employees are something that growing business size has brought to agricultural entrepreneurs. Employers are lacking HRM skills and education. One of the three main findings is that agricultural companies are lacking HRM processes and tools. Second main finding is that entrepreneurs want to measure employee's productivity and are concerned of the lacking indicators for managing HR in agricultural business. Third main finding is the availability of needed tools and back office support for HR service implementation were missing in the pilot phase.

The main business challenges agricultural companies are facing in HRM is the shortage of skilled labour, strategic workforce planning, poorly managed employees and the lack of proper business strategy when it comes to operational management. There is a significant people element that determines the success of these companies. During this research it became obvious that any HR service pilot within an agricultural organization added business value and drove actionable outcomes. Special demand in agricultural organizations is securing employee resources and commitment. According to this research clear HRM indicators and processes are missing in agricultural organizations. HR services can clearly bring value in operative management issues, work well-being and profitability.

4.2 Service journey mapping

This paragraph explains the use of service journey mapping in this research. Service design is based on the co-creation model. This research was executed in the proficient leader – project to involve collaboration with the stakeholders to plan the delivered service. The researcher used service design tools to answer the research questions. The researcher gathered qualitative data of the customers' experiences of the piloted HR services from the interviews. HR service journey canvases were drawn from the insights of these interviews and designed by the researcher.

The main findings were that the customers were satisfied for the offered services as their expectations were rather low. Dissatisfaction for HR services came from missing targets and indicators for the service. Customers didn't have earlier experience in using HR services, because there is no-one offering these services for agricultural enterprises.

Researchers' observations were that agricultural organizations need support in strategical and operational levels of management. Customers needed support in daily operational management like leading daily operations. HR consultants supported organizations with lean strategies, weekly meetings with organizations employees for example. Customers asked support for talent management, development discussions and developing career path models as well as financial benefit models. Customers had heard of these but needed support in developing

these models. The lack of standardized processes of working time tracking was recognized. There is the need to document employee's working time according to the law, but agricultural organizations are lacking tools and processes and documenting these with primitive methods like pen and paper.

The customer journey canvas shown in figure 14 summarizes the interview insights. Customer journey is described from the beginning of the HR service starting from first contact, meetings and the end of the service.

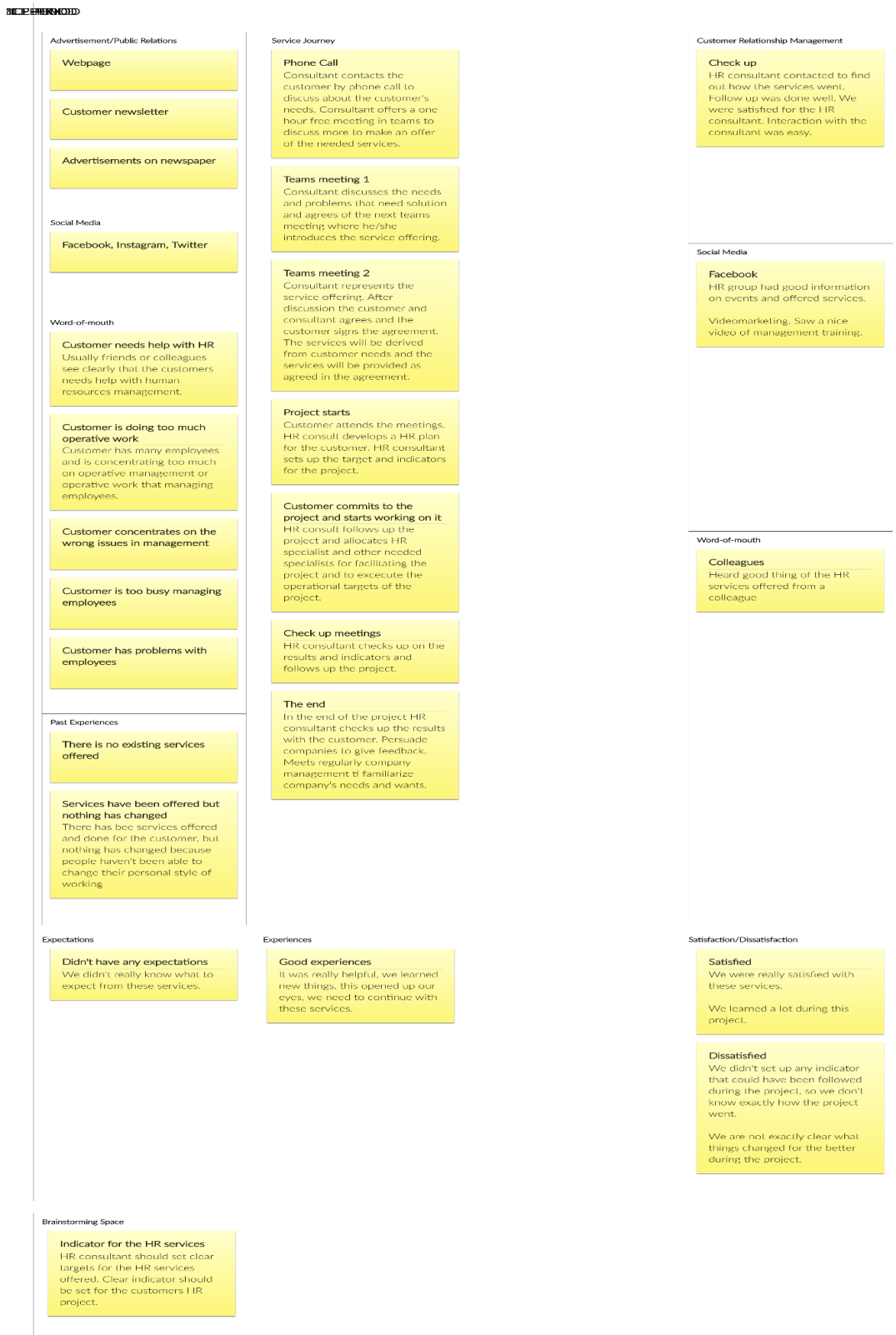


Figure 14. ProAgria's HR service customer journey canvas.

According to this research the findings of the HR consultants' interviews creates the ground for the improved service design proposal. As HR consultant services

need autonomy supporting mindset and practices when dealing with customer's HR cases, important is to gather a team to support and spar each other, to being able to map the service offering case by case in different customer contexts. The drivers for the improved service design are mainly the need for adding value to the customers, finding the service indicators and needed back-office support. Below in figure 15 is shown the HR consultants service journey map, where the findings of the empirical research are presented. It visualizes the HR service components and processes that are directly tied touchpoints to service user journey.

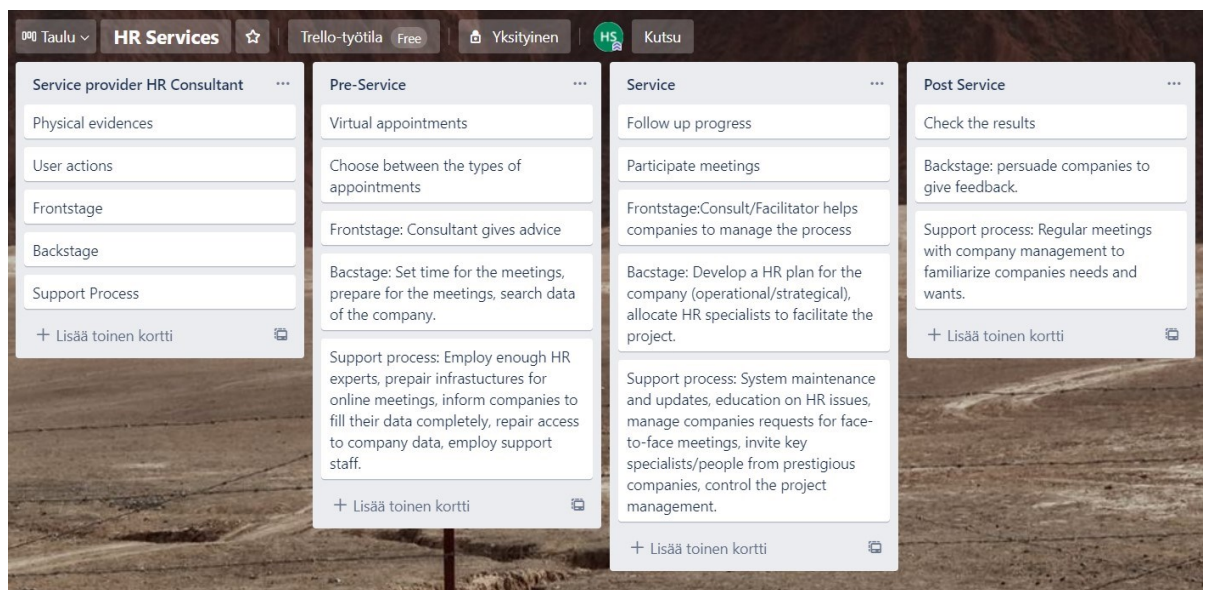


Figure 15. ProAgria's HR service consultants journey map.

Finding the key success factors that drive organizational performance in agricultural business is vital when measuring HRM's role. After a company has included HRM in its strategy it is possible to measure the connection between HRM and the company's success factors. By measuring HRM strategic impact on company's performance, the HR consultant needs to identify the key success factors. In agricultural business in Finland this needs improvement as the companies have just started to understand the concept of company strategy. For being able to walk along to satisfy its customers ProAgria's HR consultants needs to point out the strategic HRM deliverables that HRM architecture serves to execute the company strategy. (Brian, Huselid & Ulrich 2001.)

ProAgria's HR services should be aligned to customers' businesses by building relationships that include financial, operational and strategical alignment. This

brings a deeper understanding on how HR services supports the execution of company's business strategy. (Hunter, Saunders, Boroughs, Constance, 2006. p.30.)

The main finding from HR consultant interview was that it is important to provide a step-by-step guide on working through HR services. First the consultant needs to frame the business question for the project. Secondly, he/she collects the relevant HR data and prepares an analysis by using HR dashboards. Third the consultant needs to answer the business question by using prepared analysis. Finally, the consultant makes recommendations on the outcome of the analysis.

With these steps it is easier for HR consultants to create the foundation why people analytics provide real business value on agricultural HR services. This model offers clear purpose, standards, privacy, ethics and security for the customer. It gives HR consultants direction for work, structure for the HR services, readiness to manage the data applicable for the organization. Important for HR consultants is to facilitate the mapping of the service offering needed in specific contexts. These were all missing in the piloting phase and it was hard for the customers to understand the outcome of the provided HR services in their own context. As the customers have no or only a little educational background on HRM, it is important to explain the value of the service for them.

The main findings from HR consultant interviews were that there is existing need for these services and customers' needs are from strategical to operational in context. There is a need for experienced training for HR issues for both ProAgraria's specialists as well as customers. One major finding was the lacking in-house back-office support needed for HR consultants. HR services are hard to execute when lacking in-house processes and tools, as this is a service under development. When designing HR services, it is important to consider back-office support for HR consultants.

In summary, the empirical research findings, insights from the interviews, support the theory framework of this research. The empirical research brought valuable insight information from customers and HR consultants that support in structuring

ProAgria's HR service offering via service design tools. To ensure successful operations and to being able to meet customer expectations to fulfil the service value proposition it is necessary to share mutual agreement of the service targets with the customer as explained in the theory framework earlier in this research. The main findings of the interviews were that when HR consulting services for ProAgria will be designed it is important to define what the services include and what are the exact indicators that measure the outcome of the services and what brings value for the customers. There is three important parts in customer experience, that are the product, environment and service delivery. The next chapter 4.1.3 will explain the service design method, business model canvas, used in generating the insight information of the research.

4.3 Business model canvas

After gathering the data from the interviews, the business model canvas was created in a workshop. The data was analyzed according to customer expectations for the business model canvas.

Designing innovative products is the process of innovation, it is not just listening to people, it is also listening to data. Observing people's behaviour is the most important thing to remember when creating interesting and successful products. (Kolko, 2014.)

Osterwalder and Pigneur (2009, p. 16-17) have defined nine steps to think through when evaluating possibilities for innovation to be processed into profitable business. These steps to think are customer segment, value proposition, channels, customer relationships, revenue streams, key resources, activities, partnerships and cost structure.

The business model canvas presented in figure 16 is explained further in the text. It was developed by three MBA students, in Innovation and creativity for an international organization - course workshop, in LAB University of Applied Sciences. The researcher was attending as part of the group and acting as a facilitator for the group. The workshop was created and guided by the researcher and the MBA students were given the opportunity to get acquainted with the previous research

and the 5x5 HR service experiments, its results, and the project plan. MBA student were familiarizing themselves with designing services during the course and this workshop gave the opportunity to utilize their learnings to practice. The canvas was presented to the teacher and the whole class of MBA students to reflect and get feedback after the workshop.

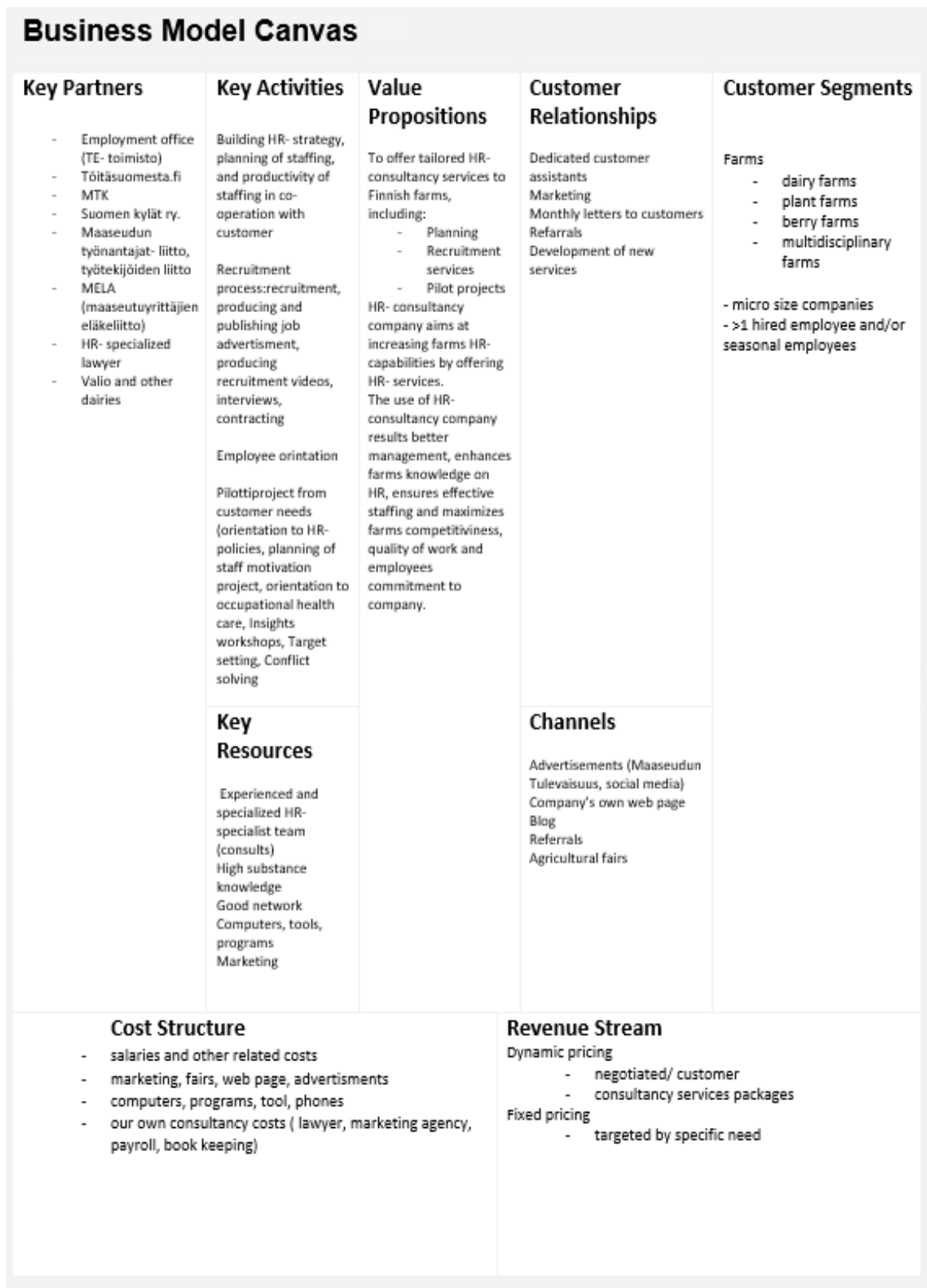


Figure 16. by Henriikka Syrjä, 2021. ProAgria's HR service business model canvas.

Customer segments

Customer segmentation is essential when creating new business models. Customer segments are the groups who may have interest in buying our services. From above mentioned different segments, this thesis describes only one customer segment in this business canvas (figure 16). ProAgria is operating in a niche market and the services can be adjusted according to customer needs. ProAgria's service innovation aims at offering human resource services for Finnish farms who need employees, either full- term or seasonal. The size of the farm is not a limiting factor, the need exists if there is a need for one or several employees.

Value proposition

The value proposition of HR services described in figure 16 is to offer tailored HR consulting services to Finnish farms, ProAgria aims at increasing farms HR capabilities by offering tailored HR services. The use of HR services results better management, enhances farms knowledge on HR, ensures effective staffing and maximizes farms competitiveness, quality of work and employee's commitment to company.

Channels

The channels facilitate companies to find customers and reach out with their marketing and messaging and determines how value proposition reaches the customer segments. There are different channels that are used as customer touch-points. In figure 16 ProAgria's channels include customer communication, service distribution or sales channels where customer is in touch with the service. The company should evaluate which channels are used by their segment and with what kind of messaging their potential customers can be reached. (Osterwalder, Pigneur, Clark, Smith, Pijl. 2010, p. 26-27.)

ProAgria has decided to use several channels (in figure 16) to reach out the value proposition. As the average age of Finnish farmers is over 50 years, traditional marketing channels cannot be forgotten:

- Advertisements in newspaper Maaseudun Tulevaisuus and other relevant newspapers (indirect partner owned)
- Participation at agricultural fairs, stand and leaflets (direct, channel owned by us using partners channel)
- Mailings to our defined target group (direct, own channel)
- Advertisement in Facebook, Instagram ((indirect partner owned)
- Our own blog (direct, own channel)
- Referrals (direct, own channel)

Customer relationships

Customer relationships inside HR business model (figure 16) shows that especially farmers who are not used to using novel technologies, need personal assistance and depending on how much they need help to get started, the stage of customer relationship may also require dedicated personal assistance. For customers, who are more familiar with HRM, self-service level may be enough, but this is something that needs to be ensured, as in worst case customer feels insecure, they may give up and stop using HR services. But in later phases, even customers who have needed dedicated personal assistance in the beginning, may manage only with automated service.

Revenue streams

ProAgria's main revenue stream can be classified as seen in figure 16; continuous payments, as farmers pay according to HR consulting services they need. Fixed prices are available, but also negotiated prices are possible in case the farmer uses several services from the application. The company's revenue stream consists of several types of incomes.

Key resources

Key resources create and facilitate the value proposition to fulfill the customer's needs and expectations and earn revenue. Key resources can be categorized as physical, intellectual, human and financial. (Osterwalder & Pigneur 2009, p. 34-35).

To fulfill the value proposition of HR service the company needs several types of key resources. Presented in figure 16 the intellectual resources are obvious, as our knowledge and experience from human resources is essential to make operations possible. Professional human resources consultant team and human resource software and database are essential to secure the service quality.

Key activities

The defined activities must work fluently to ensure successful operations and ensure the fulfillment of value proposition. Production of the service is essential, it needs to include both strategical and operational level activities. Designed in business model canvas (figure 16) HR consultants are offering strategic HR services to customers and HR specialists are offering operational level services.

Key partnership

The main partners are other operators operating in the same field, without direct competition, see figure 16. These are for example employment offices, MTK, töitäsuomesta.fi. ProAgria also co-operates with both employees and employer unions to enhance HR services and perhaps in the later phase, create a new standard for employment services. To reduce the risks, we have experienced HR lawyers as back up, to ensure that all content is up to date and according to regulations.

Cost structure

Key resources, key activities and partnerships must be defined by the company before knowing the points that cause cost. The costs for the company are incurred by several actions: creating and delivering the value proposition, protecting the customer relationships and generating revenue. When calculating the costs and income, companies should evaluate which key activities return most money, which key resources and activities are most expensive. The designed cost structure of HR business model canvas is presented in figure 16.

5 Conclusions

This chapter responds to the primary research question on how to structure ProAgria's human resource service offering via service design. It also answers the secondary research question on how to ensure successful operations and the fulfillment of the value proposition.

In the theoretical part of this research the research problems were studied through three sub-questions and the theoretical framework of this thesis was created. First human resource management theory was studied. Second service characteristics of consulting were evaluated and third the main benefits and challenges by using service design and innovation methods were researched.

The main theoretical findings are that the creation of consultancy services focuses on the customer as individual and the customer's role affects in the delivery of the final service proposition. There are three important parts in customer experience, that are the product, service environment and the service delivery. HR service strategy, staff and systems can be designed by service innovation tools; service journey mapping and business model canvas, to meet the expectations by studying customers performance, needs and goals.

The theoretical framework was tested in the empirical part of this research. First customer insight was studied in the interviews to ensure successful operations and fulfil the value proposition. Second by discussing the design thinking process of the research and summarizing the empirical findings by drafting the user journey mapping (figure 14), ProAgria's HR consultants service journey mapping (figure 15) and the HR service business model canvas (figure 16).

This diverging phase was about recognizing, prototyping and iterating concepts that create value or which by complementing other concepts result in a holistic solution. Together this whole service design process of HR service prototyping and interviews of these services converts into improved customer experience and helps the researcher to come up with tangible solutions that can be evaluated and modified in further stages. The final service design of this research will be then implemented in the system and can be tested in real-life context.

According to the empirical research agricultural organizations owners and investors value mostly business profits, growth and image of the company. Business turnover, dividend, service quality and amount are usually natural indicators for organizations value. Values indicating HR management in agricultural business context are employee capability and resources, the efficiency of processes and personnel co-operative abilities. Indicators could be for example recruitment speed and accuracy, customer feedback, employee commitment as well as economics.

5.1 Basis for the human resource service proposal

Building proposal for the case company in this chapter results from the service design methods, best practices, and findings from the literature of the theory framework in this research. Proposal will then be discussed with the stakeholders for building up the final service design. The human resource service proposal brings together the results and conceptual framework (figure 17) of this research into practical suggestions.

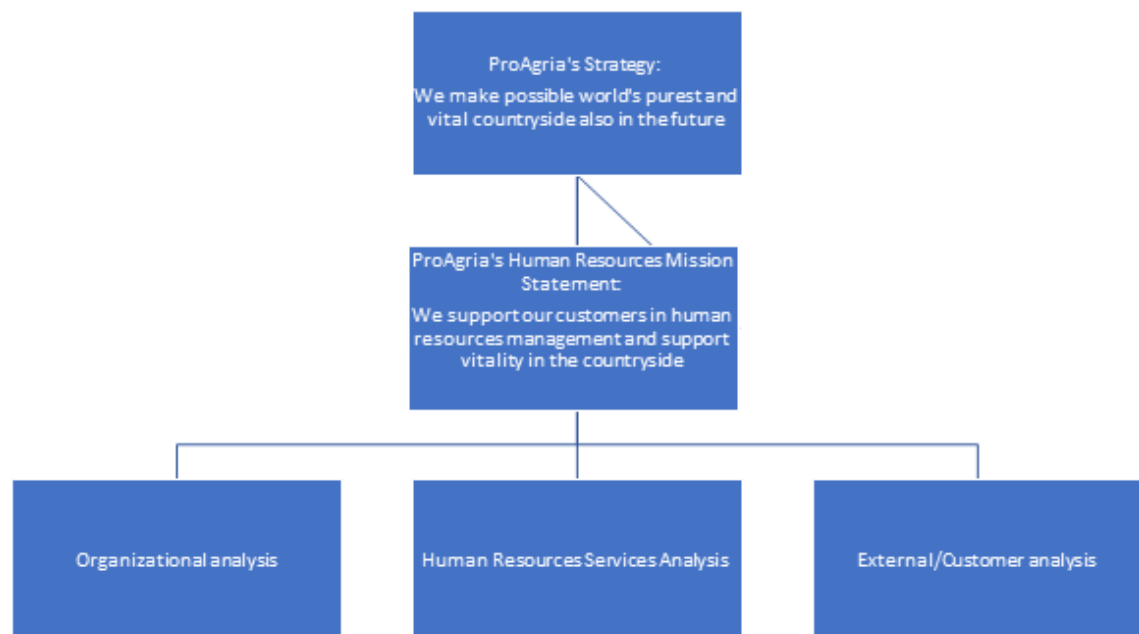


Figure 17. by Henriikka Syrjä, 2021. Conceptual framework of this research.

The conceptual framework built in this research is described in figure 17. It shows the strategical aspects in designing HR services for the case company. ProAgria's strategic goal is to make possible world's purest and vital countryside also in the future. Its goal is to support agricultural businesses and to expand its services to offering HR services.

According to the empirical findings of this research, the researcher suggests in the conceptual framework that ProAgria's HR services mission is to support its customers in HRM. The mission supports the empirical findings from the interviews. The findings showed that the potential customers don't have experience in HRM and need support in both strategical and operational human resource management practices. The aim of these HR services is to create constant value and secure the financial stability of ProAgria's customers in the future.

According to the theoretical findings of this research HR service should focus on the customer's role in the service. In the empirical part of the research the customer insight finding was, that customers need a clear service definition and follow up indicators for the service delivery.

The proposal for ProAgria's HR service model is built on the base, that divides HR consultants and specialist into two different categories to support each other and offering different services for customers in order to fulfil the HR service value proposition, see figure 18.

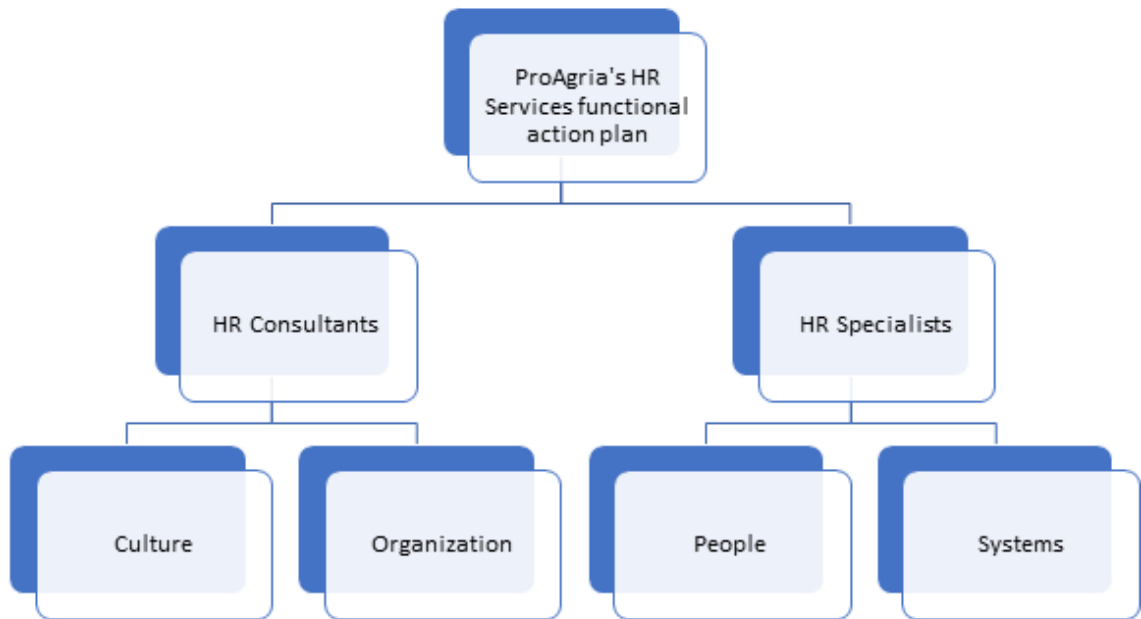


Figure 18. by Henriikka Syrjä, 2021. ProAgria's HR service basis.

The proposed HR shared service model for ProAgria is based on Ullrich's HRM model and enables the consultant to act as a strategic partner to customers. Ullrich's HRM model is explained more detailed in figure 19. Ullrich's model divides service providing into four roles when offering efficient and high-quality service in HR matters. HR consultants are acting as strategic partners and change agents according to the model, having a strategic focus. As change agent the consultant helps in the challenges of the changing business environment to establish strategical steps for the customer company.

According to Ullrich's model HR specialist's role is to act as administrative experts and employee champions. Their role is to function in improving employee capability in achieving company's strategical goals and focusing on the employee relationships. The next figure presents Ullrich's roles linkage to deliverables. (Hunter, Saunders, Boroughs, Constance, 2006. p.13.)



Figure 19. The Ullrich HRM model. (Hunter, Saunders, Boroughs, Constance, 2006. p.12.)

Findings of this research indicate that HR consultants should work as a HR business partner for the customers. It is vital that the HR consultant engages in the agricultural business of the customer to satisfy customer needs. The HR consultant needs to understand the strategic objectives of the company to be able to support management's decision making with HRM. To being able to serve customers HR consultant has to have access to the right technical and administrative data by backoffice support from the in-house data. The HR consultant needs to have deep influencing skills to be able to act credible as customer's HR business partner.

HR consultant needs technical expertise to deliver roles like change agent or employee champion. According to this research there is a need for specialist knowledge on HR tools and processes inside the organization. Especially areas in HRM like reward modelling, employment law, organizational development, and employee engagement, need expertise knowledge. Providing these services with expertise in customer organizations bring value to ProAgraria's customers, when delivering HR services, as this research indicates. ProAgraria's HR service roles, activities and deliverables are described in figure 20. (Hunter, Saunders, Boroughs, Constance, 2006. p.30.)

| ProAgria's Consultant acting as: | Role | Activity | Deliverable |
|----------------------------------|---|--|---|
| Strategic Partner | Management of strategic resources | Aligning HR and Business strategy with customer | Customer executing strategy |
| Administrative Expert | Management of company's infrastructure | Re-engineering process | Customer building an efficient infrastructure |
| Employee Champion | Management of employee contribution | Listening and responding to employees | Customer's employee commitment and capability increases |
| Change Agent | Management of transformation and change | Managing transformation and change with customer | Customer creating a renewed infrastructure |

Figure 20. ProAgria's HR service consultant roles according to Ullrich's model roles to deliverables. (Hunter, Saunders, Boroughs, Constance, 2006. p.13.)

As proposed in shared HR service model the HR consultant is acting as customer's business partner and needs back-office support from HR function. HR function sets the metrics, reward models and group policies to assess the business performance. HR function delivers back-office services to consultants like administrative staff and provide their services to support human resource consultant in the role of a business partner. (Hunter, Saunders, Boroughs, Constance, 2006. p.30.)

As seen in HR consultants service journey mapping (figure 15) there is an existing need for the back-office services in ProAgria's HR service pilots. HR shared services model provides the needed back-office support for the HR consultants as

HR specialists and administrative staff are acting in key role implementing administrative processes. The scope of HR and these roles are shown in Figure 21.

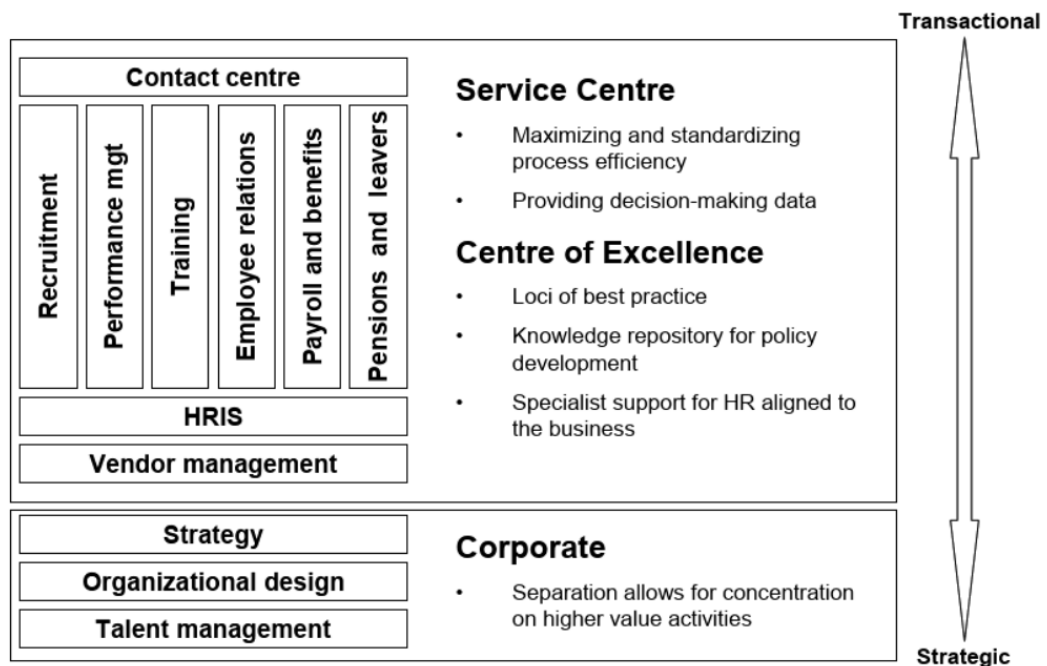


Figure 21. The scope of HR activities within shared service center model. (Hunter, Saunders, Boroughs, Constance, 2006. p.13.)

ProAgria's HR consultant needs to interpret the requirement of people in its customer organizations to lead the organization into right direction. Understanding the right metrics that correlate straight to the customer company's operative processes lead to successful implementation of HR services. (Hunter, Saunders, Boroughs, Constance, 2006. p.30.)

HRM is considered challenging in agricultural businesses and the concept is yet unknown or unclear for the entrepreneurs and ProAgria's customers. Leadership roles for entrepreneurs is considered operational and designing operations strategically is considered incoherent by the customers. When this customer perspective is taken into consideration it is important to define and design HR services so that the services are versatile for the customer.

5.2 HR shared service model for ProAgria developed in this research

This chapter answers to the research question on how to structure ProAgria's human resource services. In the picture 2 the researcher presents the HR service

model for ProAgria designed as part of this thesis. The picture below is constructed by the author of this research and aims to illustrate the overall HR service design suitable for ProAgria. Based on the theoretical framework and empirical part of the research, HR service design is shown in the picture 2. The picture provides a visualization aspect of the HR shared service model by combining the theoretical framework and empirical research of this thesis.

This paragraph will demonstrate and describe the structure of the designed HR shared service model. As shown in the picture 2 the researcher explains in more detail the different levels of the HR shared service model. Working downwards starting from the strategic level (picture 2) ProAgria as a company has to have a trained team of HR consultants to offer new HR services. ProAgria has to build organizational culture that supports this model of consulting services. Employees have to understand the company's objectives and what human resource function is contributing for company's success to bring value to the stakeholders. According to this research it is important to generate company's inhouse-data of performance drivers and build organizational capabilities for HR services by integration.

It is important that ProAgria includes HR services into its business strategy. Managing change, communication and leadership are in important role when starting new business processes. This should also be taken into consideration inside the organization. Vital for the success of these new HR services is to design the HR service delivery processes and provide HR solutions for HR specialists and HR consultants.



Picture 2. by Henriikka Syrjä, 2021. Designed HR service model for ProAgria based on this thesis.

In the second level as shown in the picture 2 the researcher explains HR shared services as an operational level. According to this research, support in the operational level is needed for the HR consultants. In addition, an ongoing training of HR knowledge should be offered inside the organization. This research indicates that building a shared service model with back-office support for HR consultants, guarantees the successful HR service delivery for ProAgria's customers.

The third level demonstrates how the HR service is delivered to the customer by the HR consultant. The research results support the suggested HR shared service offering. Therefore, the researcher suggests the following consultant services roles as in alignment to the Ulrich's HRM model:

- 1) Administrative Expert Consulting
- 2) Leadership Training Consulting
- 3) Business Partner Consulting
- 4) Change Agent Consulting
- 5) Employee Champion Consulting

(The consultant acting as strategic partner to customers in these roles were explained in more detail in chapter 5.1 in figure 20.)

The fourth level of the HR shared service model is to contribute to stakeholder value, bring business profits to the organization via operating these services. Strategic management means decisions and actions to meet the organizations targets. Management in all levels means achieving targets. The critical point is the capability in leading know-how, processes and resources.

Business executives' mission is to look forward to the future and create possibilities to succeed. It means following critical customer needs and securing that services and products are competitive. The critical success factor is to deliver services that bring value to customers. Managing operative know-how, processes and resources is the key to securing how well organizations strategy is brought to organizations operations.

Managing agricultural organizations most important success factor is leading the organizations HR and operations. Improving the leading of competencies, processes and HR emphasize the necessity of the operating model. Organizations visible and clear vision, mission and targets are important in managing capabilities.

In this research, the theoretical framework and the results of the empirical research, indicated that the customer's problems specification and defining the service needs can be rather inaccurate in nature. As stated in the theoretical framework the characteristics of consultancy services bring challenges when designing services, but also opportunities. The findings of the empirical research support the findings of the theoretical framework and systemizing the services can be a huge challenge, but defining the service offering and delivery with the customer is the key to successful service delivery. The challenge in creating HR service offering is obvious and according to this research HR functions can be divided into managerial and operational level. When designing the service offering it is important to include the scope of HRM, explained earlier in chapter 2. As the result of the empirical research indicates, that customers need support in administrative issues, for example payroll management. The level of HRM is rather low

in agricultural sector, so leadership training could be offered to ProAgria's customers. The customer also experienced leadership training important and necessary. As this research indicates agricultural business entrepreneurs need support in strategical and operational level, acting as business partner in the strategical level of HRM would support customers financial performance and business operations. Managing change and acting as employee champion would also support the customers' needs and bring value to them.

This research showed that one main barrier in offering HR services for customers is that customers do not recognize the need for HR services. Second barrier is that ProAgria's consultants needs to be trained in HR matters properly. Training only HR knowledge for HR consultants is not enough to bring understanding of these services to the whole organization. To tackle these barriers the researcher suggests that ProAgria provides an in-house HR function to train employee competencies and behavior to achieve its objectives. Company could also build a back-office model for its HR consultants to provide the needed information and services for its customers.

In summary, how to ensure successful operations and fulfil the value proposition of human resources services. From customer viewpoint HR services will offer a strategic business partner and support for the entrepreneur. HR consultants will support the aligning of HR and business strategy to help the customer in executing their strategy. This will answer to customer needs in improving business performance of the customer's company and support. HR consultants will work as administrative expert supporting organizational re-engineering processes to help customer build an efficient infrastructure. This will respond straight to customer needs that there is no existing HR solutions or processes. HR consultants will act as employee champions to support customer's leadership skills and help in supporting operational management. This will also increase customer's employee's commitment and capability. Acting as a change agent, HR consultants will support helping customers in managing transformation. The roles of HR consultants will help customer's understanding of the offered HR services. Proving leadership training for customers will grow their understanding of HRM and its strategical aspects to business performance.

To secure customer satisfaction and service quality, ProAgria is suggested to provide HR specialists for back-office support according to this research. ProAgria's HR services successful implementation will support financial targets of the company in contributing value for its stakeholders.

5.3 Recommendations for further research

Many interesting aspects of service design and service development were not researched in this research. One of the main interesting research topics for further research would be the service delivery process. Researching the HR shared service process and designing a service blueprint would give the organization a comprehensive understanding of the service processes and needed resources. To find out performance drivers of ProAgria, in-house analysis in the future is suggested. It would benefit the strategic service design process and might help to discover weaknesses in the service proposal.

After the HR shared service model is introduced to customers with service offering, further research topics could be, HR services customer satisfaction survey to further develop these services. Suggested further research in agricultural businesses is to gather HR data to build specific HRM indicators for agricultural businesses. It is highly important to recognize what HR indicators affect straight to company's turnover and profit in agricultural business. Worthy would also be to further research on the issues that drive companies to outsource human resource function and the advantages of it.

5.4 Reliability and validity of the study

This research formed perception that agricultural organizations HRM quality is rather low. HRM's significance in organizations has not been indicated, but the need for HRM know-how is recognized widely in these organizations.

This research clearly indicates that Ullrich's strategic HRM model, that connects long-term strategic targets to operative management, can be applied in agricultural business context. It secures agricultural organizations business strategy competence and organizational competitiveness.

This research used triangulation method, that connects different methods, data sources and theories. This research combined the theory of designing services, the concept of consulting services and theories of HRM by creating a coherent model of HR shared service model in agricultural context. The empirical research results support the proposed HR shared service model in agricultural context. The theoretical framework of this study provided a good framework for designing HR services.

The researcher made observations during HR service pilots and these observations were considered when conclusions were drawn. The researcher has been executing HR services pilots and observing customer behavior throughout the proficient leader – project. Researcher gathered and analyzed data from open-ended interviews of customers and HR consultants, to get broad-ranging viewpoint of HR service implementation and service journey. In this research the researcher studied theories from HRM, consulting and service design to build supporting theory framework for this service innovation in agricultural context.

The study is based on piloting HR services with customers and designing HR services in customer viewpoint. The gathered data is based on customer feedback and actions taken during the pilot phase of the research. Repeating the pilot phase should bring up similar results and this repeatability secures the reliability of this study. When repeating this kind of research, the circumstances should be alike to get similar results. It should be taken into consideration that knowledge changes behavior of customers and with increased knowledge or different surroundings the results could be different. The research data was limited due to the time-period of the data gathering as the Covid-19 pandemic took over. Therefore, the interview results will only have a limited value.

Qualitative research has always the possibility on errors of human judgement. Qualitative methodology allows the researcher to interpret the data upon the researchers own perspective. (Taylor, Bogdan, DeVault 2015.)

This research has used multiple data sources and gathered reliable and valid data of HRM state in agricultural organizations in Finland. This research can be

considered reliable and valid considering the chosen research method and results.

6 Summary

This research focused on designing HR services to benefit agricultural organization's needs and to exclude existing services portfolio of ProAgria. The demand for new service design was driven by the need of the agricultural organizations. It has been recognised from customer projects that there is a lack in HR services in the agricultural business area.

The research had five steps, first the objective of this research was defined, second the research design was built. Third the theoretical framework was drawn of the research problem, fourth the data was collected and analyzed and fifth a proposal of the new service was built.

This research was conducted by identifying customers' HR management issues through service design methods by analysing the previous customer data from earlier made customer projects in a workshop with specialists working in proficient leader - project. Identified elements were defined in co-operation with company stakeholders to define HR service pilots for customers. After that, the 5x5 HR service experiments started in the proficient leader - project and the researcher conducted an analysis of the experiments of pilot human resource services in customer's and ProAgria's HR consultants' point of view.

The empirical data of this research was collected and analysed from customer and personnel interviews and by observation during HR service pilots. The knowledge in designing new services was based on extensive literature research and best practises to find suitable tools for service design in this specific agricultural business context. The outcome of this thesis was executed by using service design tools; service journey canvases and business model canvas. The case company can utilize the proposed service model designed in this research in practise. This service design can also be utilized in other case company services.

The objective of this research was to assess current HR management practices and to expand the knowledge of HRM in agricultural field of business to create service offering model of current and potential HR services that supports to evaluating customer expectations of services delivered.

This research indicates how to structure ProAgria's HR services based on Ullrich's HRM model (picture 2) to ensure successful operations and the fulfillment of the value proposition. As a result of this thesis ProAgria's HR service model is designed by the researcher, presented in picture 2 in chapter 5.2. HR shared services model suggests that HR consultants offer business partner role for the customers and HR specialists offer back-office support, delivering administrative services to customers and HR consultants.

The research objective was met as described in this paragraph. The main findings of this research were that the agricultural enterprises need support in daily operative management processes, offering strategical business partner support is not sufficient to covering agricultural enterprises' needs. According to the research the value of HR services for agricultural enterprises is growing and producing these services is highly important and beneficial for these enterprises. According to this research ProAgria's HR services portfolio should include aligning HR and business strategy with customers, managing of company's infrastructure, management of employee contribution and daily operations as well as managing transformation and change with the customers. HRM support in daily management operations and managing change can be considered HR services most important mission according to this research.

In the empirical findings of this research, HR service pilots affected clearly to agricultural enterprises operative management, wellbeing at work and profitability. proficient leader – project resulted better operative and strategic management as well as improved HRM and recruitment processes. Working community's wellbeing were improved in agricultural enterprises as a result from building personal management paths. (Project Report 2021.)

HR services value proposition is to support business decisions and drive real business value in agricultural organizations. The challenge in agriculture is to

keep up with the pace of changing business priorities as the nature of work is rather challenging and the matter of HRM is remarkable as the success of the business is highly dependent on workers competence. Important is to get to the heart of the business problem and prioritize the projects that will increase the customers' business value.

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Appendix 1 Customer Interview

- 1) Which human resources service pilot was carried out in Your enterprise?
- 2) Were You satisfied for the service?
- 3) What were your expectations of the service?
- 4) If the pilot did not fulfill Your expectations of the services, could You tell me why was that?
- 5) Do You feel that the services were useful?
- 6) What kind of commitment attending to this Pilot required from You?
- 7) What did HR-consultant do during the service pilot and what did You do during the service pilot?
- 8) Would You have needed extra services that were not included in the service pilot and what kind of services?
- 9) Did You get enough information of other services during or after the service?
- 10) What do You consider most important when conducting human resource services like this?
- 11) What did You like most in these offered services?
- 12) What improvements would You suggest for these services?
- 13) Could You recommend any development suggestions yourself?
- 14) What kind of feeling You had after these services?
- 15) What kind of improvements happened during and after these services in Your enterprise?
- 16) Would You recommend these services? To whom and how?
- 17) Were You contacted after the services and how?

Appendix 2 HR Consultant Interview

- 1) Who are You and how You ended up piloting HR services?
- 2) What makes HR services fascinating in Your viewpoint?
- 3) Explain with Your own words what kind of HR service pilots were executed in Proficient Leader – project?
- 4) What kind of services were offered to customers?
- 5) How these offered services worked in your opinion?
- 6) How did you feel afterwards?
- 7) Give examples of hard cases / easy cases?
- 8) Explain good and bad human resource management practices in agricultural organizations.
- 9) Describe customer needs in human resource management issues.
- 10) What kind of HR services ProAgria should offer to its customers?
- 11) Describe the most important emotional, social and practical customer needs in your opinion.
- 12) Describe how it was like to work with other specialists.
- 13) What risks could there be and how to avoid risks in HR service offering?
- 14) Your own thoughts of HR services and what they should be like?

Appendix 3.by Henriikka Syrjä, 2021. HR service model for ProAgria.

