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HUMAN RESOURCE STRATEGY

Work well-being as a strategic choice

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ABSTRACT

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The subject of the thesis is Human resource strategy – work well-being as a strategic choice. The thesis was made for the client company, which is Finnish, Oulu based software company. The connection of the thesis with working life is seamless, as the need for the strategy rose from everyday life in workplace. There was also personal interest for human resource matters as a base for the thesis. Objective was to create practical and informative human resource strategy. The thesis was a development task; constructive research and service design were used as trends. Characteristic for development task is that it aims to solve the challenges raised from working life. In constructive research, the goal is to solve a practical problem by creating some concrete output. The idea of service design is to think deeply about what service provides instead of just developing an existing service that does not necessarily meet the needs of the customer – in this case the personnel.

Theoretical framework consisted of earlier studies and literature as well as internal research. In studies and literature the focus was on strategic human resource management, human resource strategy as well as strategic work well-being management and its impact to company profit. The internal research consisted the opinions of the company's personnel. Opinions were gathered by interviews, surveys and workshops. The research question was "How human resource strategy can help the company achieve better results?". The thesis presents evidence for why it is important that any company should have human resource strategy and why work well-being as a strategic choice is the best decision. Thesis also includes a general review about strategic human resource management, its definitions and description of human resource strategy as a revelation of strategic human resource management. The thesis also brings up the economic effects. The economic perspective is important in a sense that only profitable company can employ. So even employees improved well-being is the goal, at the same time there must be the economic perspective.

The actual result of the development task is the human resource strategy for the client company and it is modified using service design methods: the strategy is built in a form of a customer journey where everything begins from awareness and the goal – the destination – is loyalty. The strategy is described in a way that touch points are seen as things that affect the work well-being and can either make the employee to commit to the company or the lack of the touch points can make the employee to look for a new job. Touch points create the customer journey. It is important to emphasize that the company's human resources strategy is based on research, and its emphasis is on work well-being – work well-being as a strategic choice. However, human resource strategy is as any strategy: it is never fully completed and it needs to be updated regularly.

Keywords: human resources, management, strategy, strategic, work well-being, customer journey mapping, service design

TIIVISTELMÄ

Oulun ammattikorkeakoulu
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Opinnäytetyön aihe on Henkilöstöstrategia – työhyvinvointi strategisena valintana. Opinnäytetyö tehtiin asiakasyritykselle, joka on suomalainen, Oulussa sijaitseva ohjelmistoyritys. Opinnäytetyön yhteys työelämään on saumaton, sillä strategian tarve nousi esiin arkipäivän tilanteista työpaikalla. Opinnäytetyön perustana oli myös henkilökohtainen kiinnostus henkilöstöasioihin. Tavoitteena oli luoda käytännöllinen henkilöstöstrategia. Opinnäytetyö oli kehitystehtävä; lähestymistapoina olivat konstruktiiivinen tutkimus ja palvelumuotoilu. Kehitystehtävälle on ominaista, että sen tarkoituksena on ratkaista työelämästä esiin tulevia haasteita. Konstruktiiivisessa tutkimuksessa tavoitteena on ratkaista käytännön ongelmia ja tuottaa jokin konkreettinen tuotos. Palvelumuotoilun ajatuksena on ajatella syvällisesti, mitä palvelu tarjoaa sen sijaan, että kehitettäisiin vain olemassa olevaa palvelua, joka ei välttämättä vastaa asiakkaan – tässä tapauksessa henkilöstön – tarpeita.

Teoreettinen viitekehys koostui aikaisemmista tutkimuksista ja kirjallisuudesta sekä yrityksen sisäisestä tutkimuksesta. Tutkimuksissa ja kirjallisuudessa keskityttiin strategiseen henkilöstöjohtamiseen, henkilöstöstrategiaan sekä strategiseen työhyvinvoinnin johtamiseen ja sen vaikutuksiin yrityksen tulokseen. Sisäinen tutkimus koostui yrityksen henkilöstön mielipiteistä, jotka kerättiin haastatteluilla, kyselyillä ja työpajan avulla. Tutkimuskysymys oli "Kuinka henkilöstöstrategia voi auttaa yritystä saavuttamaan parempia tuloksia?". Opinnäytetyö osoittaa, miksi on tärkeää, että kaikilla yrityksillä on henkilöstöstrategia ja miksi työhyvinvointi strategisena valintana on paras päätös. Opinnäytetyöhön sisältyy yleiskatsaus strategisesta henkilöstöjohtamisesta ja henkilöstöstrategiasta strategisen henkilöstöjohtamisen ilmentymänä. Opinnäytetyössä tuodaan esiin myös taloudellinen näkökulma. Taloudellinen näkökulma on tärkeä siksi, että vain kannattava yritys voi työllistää. Vaikka työntekijöiden parantunut hyvinvointi onkin päätavoitteena, samaan aikaan on huomioitava myös taloudellinen näkökulma.

Kehitystehtävän todellinen tulos on asiakasyrityksen henkilöstöstrategia ja se on tehty hyödyntäen palvelumuotoilua: strategia on rakennettu palvelupolun muotoon, jossa kaikki alkaa tietoisuuden herättämisestä ja tavoite – päämäärä – on sitoutuminen. Strategia kuvataan siten, että kontaktipisteet nähdään asioina, jotka vaikuttavat työhyvinvointiin ja voivat joko saada työntekijän sitoutumaan yritykseen tai kontaktipisteiden puute voi saada työntekijän etsimään uutta työpaikkaa. Kontaktipisteet luovat palvelupolun. On tärkeää korostaa, että yrityksen henkilöstöstrategia perustuu tutkimukseen ja painopiste on työhyvinvoinnissa – työhyvinvointi strategisena valintana. Henkilöstöstrategia on kuitenkin kuten mikä tahansa strategia: se ei ole koskaan varsinaisesti valmis ja se on päivitettävä säännöllisesti.

Avainsanat: henkilöstöjohtaminen, henkilöstöstrategia, työhyvinvointi, johtaminen, palvelupolku, palvelumuotoilu, kontaktipiste

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1 INTRODUCTION

This thesis subject is Human resource strategy – work well-being as a strategic choice. The reason for the thesis was simple: the company needs human resource strategy, because the company is in a phase where new team members are joining regularly and it is better to plan things in advance rather than too late. I am working as a Chief Operating Officer (COO) in the company and I was recruited – as Chief Executive Officer (CEO) said in the job interview – to bring value to the company. My role is to handle mainly human resources and finances. During this career path in the company, I have started to have more and more interest in developing both myself and the company from human resource management point of view. The client is referred as “the company” or “the client company” in this thesis because the name of the company is irrelevant.

As always when it comes to me, also this thesis had a lofty, world-embracing goal, and because of the initial delimitations – or rather the lack of the delimitations – the purpose was to save the entire world. Or at least change the whole working life. As the work progressed, it became clear that it might not be possible or even necessary, and it was wise to focus on the actual topics of the thesis – human resources strategy, strategic human resource management and work well-being as a strategic choice.

My interest for human resource management – or even more specific – employees well-being started already before my current work, but the current workplace has been inspirational and has given the chance to develop human resource management related matters. I had a pretty good big picture and general knowledge about the subject already before studies since the I have been working with human resource related tasks for thirteen years. Also, I had experience about managing and leading voluntary work and volunteers, which can be even trickier part since there is no money (salary) as a motivation.

This thesis was specifically a development task and it includes wide part of earlier studies about human resource management and work well-being as a base for the actual human resource strategy of the company, which is presented in the last part of the thesis. Interviews and surveys of the company personnel were part of the theoretical framework. The most interesting perspective was and is how the personnel well-being can affect the company’s profit, and that it is worth

investing in work well-being because that way company can have more success, which benefits both the company and its personnel.

The company is international and global but the human resource strategy in this phase does not include international aspects. In the future, if and when it comes relevant, the company can add international instructions along with yearly updates. Although the thesis is a development task and there is no new research that would turn the world upside down, hopefully there are new perspectives along the whole thesis. Hopefully, the respect towards personnel can also be seen throughout the thesis.

In this thesis, all labor politics is left out. Although in Finland unions has major impact to human resource policies in organizations and to employment agreements, the fact is that companies must follow the rules whatever the rules are. For example, Kauhanen et al. production “Human resource management in Finland from 1960 to 2015” has several chapters which process the role and impact of Finnish labor market and unions. But whatever the opinion about unions is, it is significant that especially in early days of unions, they have succeeded major labor market improvements, such as reasonable working hours, paid annual holiday and paid maternity leave, which we all can enjoy nowadays. The other subject that is left out, is the gender division – or feminization – in human resource field, but I cannot help mentioning that it is interesting – against all gender stereotypes – when men ran the human resource field, they were running *social affairs* but now, when women run the field, they are *strategic business partners* (Kauhanen et al. 2015, 174). And even further, companies run by women are more profitable than the companies run by men (Kotiranta et al., referred 4.5.2020).

Management and human resource management are used as general terms in this thesis. Although there is huge difference between leadership and management, and there are several later terms for human resource management, in general level it is practical to use just one term. Leadership is used in cases where it is meant to emphasize the leadership over management. In addition, the term *human resource management* means that human resource management is part of business strategy, i.e. human resource strategy supports the business strategy (Suonsivu 2014, 144).

The thesis proceeds in a way that in the introduction part there is also descriptions of the operational environment and the implementation of the development task. After that, the focus will be on strategic human resource management at a general level as well as strategic work well-being

management, which includes the economical perspective. The last part of the thesis is the actual strategy, which is built in a form of customer journey, where the company's personnel is seen in the role of the customer. The actual human resource strategy is based on the researched evidence presented in previous chapters on what choices and solutions the company should make. In order for the thesis to answer the research question, it must be taken into account that work well-being must be an integral part of the human resource strategy. Finally, there is a discussion and the conclusions part.

1.1 Description of the operational environment

This section describes what kind of operational environment the company is from the perspective of human resource management and what was the starting point for doing the thesis. The section also illustrates the company's current human resource management territory (figure 1) to make it easier for the reader to understand which internal and external factors affect the COO's work and who are the stakeholders.

The company is Oulu based, yet international, software company founded in 2012. The company was founded by three people who has background in international sales, research and software development. Human resource point of view, they were just the three of them until middle of 2014, when they recruited company's first employee. After that they were just the four of them until the end of 2017, when four people joined the team at once and needs for some human resource functions appeared. Since then more people have joined the company and team is constantly growing. Founders are active in daily operational actions. This starting phase is something very similar for which Boxall and Purcell (2015, 42) refers. Pioneering company develops a better solution to an existing need or invents something that customers now want to have. The first challenge in this phase is to recruit people who can make the founders' vision a reality.

The company acts globally, both with customers and from human resource point of view. Depending on fiscal year, 60-98 % of the annual revenue comes outside Finland, however Finland is rising, and the company has got more and more Finnish industrial customers. The CEO lives and works mainly in Taipei, Taiwan, but also travels a lot in Central Europe since he is handling sales. The company's Head of Research lives and works in Kyoto, Japan and one of the software developers lives temporarily in Kenya. Rest of the personnel is in Oulu. The company has

employees from different nationalities. One of the founders, Chief Technical Officer (CTO), is originally from Romania, Head of Research – who lives in Japan – is originally from Belgium and one software designer is originally from Vietnam.

Having a background from different nationalities and cultures and working in several continents – and time zones – can be a challenge but also an opportunity. It is a possibility to learn from each other's. For company, whose main business is in information technology sector, video meetings are everyday life and sometimes it can be even a bit strange to have a meeting face-to-face in real life. The company faced the truth when COVID-19 hit Finland on spring 2020: the company already had tools and practices for remote working so it avoided major difficulties. From business point of view, the company also had a chance to prove its knowledge since the solutions are made to help industrial companies to work remotely.

Since the first days of the company, there has been strong personnel-oriented policy. In general, personnel is highly valued and respected and there is understanding that everything is about companionship between employer and employees. Also, personnel value the company as an employer and values for example the flexibility, which makes it easier to combine work and personal life.

The company is in between start-up and growth phases and wants to be wanted employer now and in the future. That is why it is important that the company has written human resource strategy. The company has the courage to review its functions critically and improve the functions that need to be improved. Informal discussions and interviews with personnel showed already before this thesis that the company is in right path when it comes to human resource management, but it is important that for the future needs the company has everything in written form. Growth phase is critical in a sense that it is a crossroad between remaining flexibility of a small company and avoiding bureaucracy of a large company. Usually when any company grows there is at least some kind of need for rules and routines and that is why companies usually adopt formal procedures and policies. New leaders and managers are also usually recruited in this phase and founders give way to professional managers. If the company is not able to remain its flexibility, personnel might feel the company will never be as creative or fun as it was in early days. (Boxall & Purcell 2015, 43-44.)

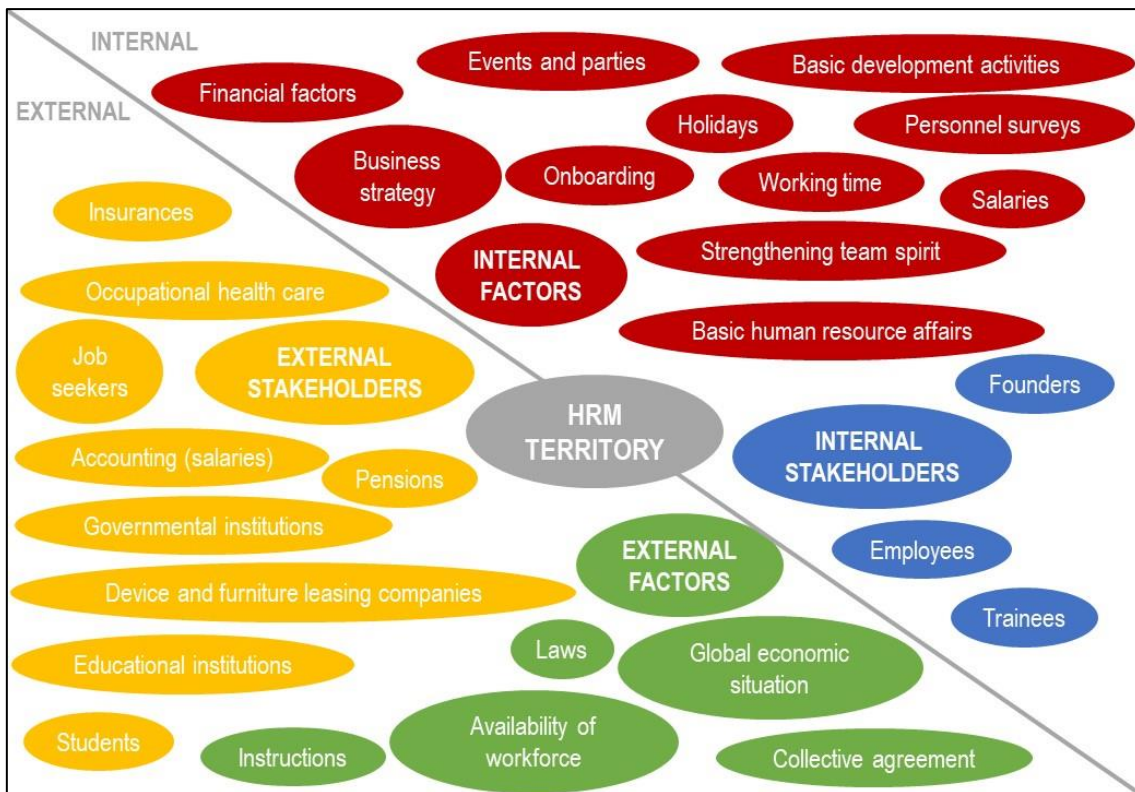


FIGURE 1: The figure presents the company's current human resource management territory i.e. closest stakeholders and factors, modified from Beer et al. (Boxall & Purcell 2015, 59). It can be seen that the territory is wide.

1.2 Implementation of the development task

This chapter describes the implementation of the development task e.g. objective and purpose, approach, research question and theoretical framework. Implementation of the development task started already when the subject was presented in application for the master studies. The project plan was presented in February 2020, after which the research phase began. The research phase included a review of previous studies and literature as well as interviews and various surveys with the company's personnel. Deep interviews and a workshop had already been conducted in 2019 with this thesis in mind.

As mentioned earlier, this was a development task. Characteristic for development task is that it aims to solve the challenges raised from working life and, in some cases, to create new knowledge or perspectives. To support development, information is gathered by critically evaluating from both practice and theory, and a variety of methods are used. Active interaction with different parties is emphasized and writing and presentation at different stages and for different audiences will take

the development forward. (Ojasalo et al. 2015, 18.) The description perfectly tells what happened also in this development task. The connection with working life is seamless. Results and progress was presented regularly also in workplace for the company's personnel.

1.2.1 Objective and purpose

Objective of the thesis was clear: to create proper and quite wide human resource strategy for the company. Like many other companies the company has not had written human resource strategy, but many common policies and principles as well as certain ways to do things. Because the company is in a phase where team is regularly growing, and it also wants to improve its visibility in employer markets and become a wanted employer, now it was a chance to put everything into a written strategy so that the company also has a guide in the future. Connectivity to a work life is obvious: client is the author's employer and both – the company and the author – want to improve the human resource functions. Thus, the purpose is that human resource strategy is useful for everyday use and filled with practical information.

1.2.2 Approach and trends

Clearly, there was a practical approach to this thesis as the process progressed in constant interaction with other members of the management team and the rest of the personnel. However, one must remember that development task is not an interest-free process. A practical approach can also be called a reciprocal approach, in which the researcher and the community jointly identify the problem, the factors behind it, and design measures to address the problem. Typical of this approach is that the plan is adjusted and modified throughout implementation. This approach is characterized by flexibility and openness, equality and negotiation. The aim is for the participants to learn to understand their own activities in a new way, but also to become more independent and aware of their own activities in the future. (Toikko & Rantanen 2009, 45-46.)

Suitable trends for development task can be e.g. action research, case study or constructive research. In addition, also service design can be used. For this kind development task where aim was to create human resource strategy based on results of previous studies the best choice was constructive research (Toikko & Rantanen 2009, 31). In constructive research, the goal is to solve a practical problem by creating some concrete output, such as a product, information system,

instruction, manual, or model. In constructive research, the aim is to change a specific object, when, for example, action research seeks to change people's actions. Constructive research is also characterized by a close dialogue between practice and theory and the connection to previous theory. (Ojasalo et al. 2015, 37-38.)

Also service design can be used as an approach in development task. Service design may be very close to constructive research and therefore, they fit well together. Service design has become increasingly popular in recent years and provides easy-to-use methods and tools to bring service users to the heart of development. Service design helps a company to develop its internal processes so that they both meet the needs of customers – in this case the needs of the company's personnel – and benefits the company. Service design aims for better functionality, economy, sustainability, ecology or ethics. Service design refers to the application of design processes and methods to service development and can be applied to all areas of business, such as strategy and processes. The idea of service design is that all business is a service (Ojasalo et al. 2015, 38, 71-72, 74.) Thus it can also be seen that human resource management is a service whose customers are the company's personnel. In the end of this thesis, *the actual human resource strategy* is presented using service design methods.

Based on Google Scholar search, with the help of service design it has previously been created e.g. recruitment plans and strategy, developed employee experiences and organizational culture. Thus, in addition to the fact that service design and customer journey mapping can be used to create a strategy, a similar service design process can be carried out on each individual issue, such as recruitment, occupational health care, onboarding or personnel development.

Involvement is one of the most important operating models in service design. The users of the service are at the heart of the development work and an important starting point is to get them actively involved in the various stages of the development process. (Ojasalo et al. 2015, 72). It was clear that the process cannot be a top-down development even though the student is a member of the management team. The company has a low organization, and everyone is an equal member of the team, although some also have managerial responsibility. The team and founders were involved to a process and everyone understood the need, the purpose and the target.

1.2.3 Customer journey and touch points in this thesis

Customer behavior has traditionally been seen as a linear process in which the customer goes smoothly through a particular route without straying from it. Today, it is already known that this is not the case and that is why more and more service design and customer journey planning is being done - in collaboration with customers, so that all "diversions" can be taken into account. Creating a customer journey requires a good knowledge of customers, which can be done, for example, through interviews, workshops and observations. The customer journey is a way to illustrate and view the customer experience, and a customer journey map is often used for visual illustration. (Suhonen 2019, referred 18.8.2020.)

The customer journey map is created from the customer's perspective and tries to better understand the customer's needs, goals and expectations, how the customer experiences the company and its service or product and brand, what feelings the customer experiences at different stages of the path and whether the company can respond to the feeling, as well as whether there are gaps in the journey, making it easy for the customer to reject the company. The customer journey map makes it possible to illustrate the customer's journey from arousing interest to a final decision and even a recommendation. (Suhonen 2019, referred 18.8.2020.)

The customer journey can be used to describe all the stages of the service experienced by the customer, from the emergence of the need and awareness to the perceived benefit of the service. The customer journey can describe both rational and emotional needs as well as emotions related to the service. (Ojasalo et al. 2015, 73.) Customer journey planning can also be utilized in situations other than direct purchase transactions (Komulainen 2019, referred 25.5.2020.), as is now done in this thesis.

There is also fierce competition in the labor markets for skilled workforce and working life has changed – and will change – as a new generation enters working life and new ways of working are introduced, as highlighted in this thesis. Also, in the labor markets, some companies strive to promote their brand and employer image so that they have the opportunity to get the best employees. (Komulainen 2019, referred 25.5.2020.) Also Suhonen (2019, referred 18.8.2020) points out in his blog that regardless of the industry, the competition is fierce and the half-wired customer experience is not clear. Eventually, there will be someone who will do things better and fix the pot. That is why it is important to plan things in advance.

Some people think that management and supervisors can be seen as a role of customers of human resource management, especially when viewed from a value-added perspective (Korppoo 2013, 78). However, exactly from a value-added perspective, in this thesis the company's *personnel* is seen as *a role of customer* and the company as the service provider and even further, human resource functions are seen as a service. This point of view applies also to other companies with low hierarchy. Following the idea of service design, the customer journey has thus been built together with the personnel, based on studies, literature as well as company's internal interviews, workshops, surveys and informal everyday discussions. The company also created a possibility for whole team to go through the human resource strategy and give ideas and make suggestion for the content.

The idea of service design is to think deeply about what service provides instead of just developing an existing service that does not necessarily meet the needs of the customer – in this case the personnel. With the help of service design, one can ask what the purpose of the work and the justification for the existence are. An essential part of this is observing the life of the customer and listening to the customer, in this case personnel – and, for example, responding to the different life situations of the personnel. Service design also includes testing the new service before final deployment. (Komulainen 20019, referred 25.5.2020.) Since this is a human resources strategy, the experiment takes place in everyday situations and if it is found that one or many of the solutions presented in the human resources strategy is not working, the company has the courage to change the strategy. It must be remembered that, like all strategies, the human resources strategy is never fully completed but is constantly updated.

The customer journey consists of service sessions and touch points. Touch points include, for example, the physical and virtual service environment, people, objects and operating methods. (Ojasalo et al. 2015, 73-74.) Lack of touch points can cause gaps during the journey making it easy for the customer to reject the company. Touch points create the customer journey. Often, companies make little use of touch points because they do not necessarily know their existence. From the customer's point of view, the importance of the relevant touch points in the company may have been assessed as insignificant. (Suhonen 2019, referred 18.8.2020.) In this thesis, the role of touch points is seen in a way that they make the employee either commit to the company or the lack of touch points to look for a new job.

It is important to visualize the customer journey map, as it can make it easier to see the steps where touch points are missing and why the customer – the job seeker or the employee – rejects the company. It also helps to see the steps that are strengths for the company and can be further developed for the better. (Ohlson 2019, referred 27.3.2021.) Photographs, drawings and animations can be used in the visualization (Ojasalo et al. 2015, 73).

1.2.4 Research question

The research question was “*How human resource strategy can help the company achieve better results?*” Starting point and the assumption was that affluent personnel is profitable personnel. There are many ways to influence personnel well-being and, work well-being. In some cases, one might think that work well-being means just occupational health care and when that is handled, personnel is happy. However, work well-being is much more than that and, in the end, *it is about well-being in general*. When the research question was “How human resource strategy can help the company achieve better results?” in studies and literature it was wise to focus on questions

- 1) what are the things that has impact to work well-being,
- 2) how much affluent personnel can have impact to company’s profit and
- 3) with what ways companies can improve the work well-being?

It is important to emphasize that the company’s human resources strategy is based on research, and its emphasis is on work well-being – work well-being as a strategic choice. As a base for the company’s human resource strategy there was also justified reason to go through bases of strategic human resource management and human resource strategy.

1.2.5 Theoretical framework and research methods

Theoretical framework consisted of earlier studies and literature as well as internal research. In studies and literature the focus was on strategic human resource management, human resource strategy, strategic work well-being management and its impact to company profit. Challenge of gathering the material was delimiting, since there are lot of literature and studies about the topics. It was not always easy to see, what was relevant information and what literature is the most meaningful and professional.

The internal research consisted the opinions of the company's personnel. Opinions were gathered by interviews, surveys and workshops. Some of that part was already done before actual thesis process. First interviews – very deep ones – were made on the summer 2019. The bases of the interviews were in performance discussion but they were extended as deep interviews. There were numerous questions which are as attachments. After interviews were totally completed, similarities of answers were searched as well as differences of opinions and perspectives. From thesis point of view the most interesting parts were the opinions and perspectives of onboarding and what things motivate employees in their work as well as development of skills and desired career paths. It must be remembered that the interviews were very wide so not all the questions were related to the thesis.

On autumn 2019 the company also had a workshop, which had team spirit theme. The workshop was full-day workshop and there was outside facilitator. The results of the workshop were mostly related to organizational culture and work environment, but the results were not used directly as reference in this thesis. However, the internal discussion in the workshop helped to understand the whole of the desired culture and values of the company.

Smaller interviews were made in June 2020 after which there was a survey based on the interview: the meaning of the interview was first to find out what things employees value in work life in general and then with survey to find out, how the company has succeeded in those matters. The results of the interviews were used as reference in this thesis and it was quite easy since there were lot of similarities in employees' answers. As mentioned, the survey was built from the results of the interviews so the survey shows very clearly what are the most important things for the company's personnel in work life, and it can be seen that the opinions match with wider studies and literature. The interview questions and the survey are as attachments. Lastly there was communication survey in January 2021. The survey was originally related to a course and not the thesis, but during that process it became clear that communication is very much related to human resource strategy and work well-being so it was wise to utilize the survey as a reference in thesis too.

Thesis is alternating between fact and interpretation. Thesis includes both studies and opinions. Personnel interviews and surveys are always opinion-based, each person's own views based on their past experience and how each person experiences things. (Toikko & Rantanen 2009, 123.) Theoretical framework also included different guidebooks and instructions as well as Finnish laws and agreements. These can be seen mostly in the last part of the thesis where there is the

company's customer journey presented. Studies and literature combined with the client company's personnel opinions were modified to a customer journey using service design methods, and that will be the company's practical strategy. It will be updated on yearly bases.

2 STRATEGIC HUMAN RESOURCE MANAGEMENT

This chapter delves deeper into strategic human resource management and human resource strategy. This chapter reviews in general level, what is strategic human resource management, its meaning, purpose and definitions, as well and human resource strategy as a revelation of strategic human resource management. Also there will be a review, why it is important that the company have a human resource strategy. As an attachment of this thesis there is a history review of human resource management in Finland because the author of this thesis finds it fascinating and has always thought that knowing history makes it easier to understand the present.

The starting point of a successful company is a viable goal, i.e. a business idea that can be made to shine with the help of human resources. The company needs to understand the impact of personnel on the business. Human resources are made to be productive by long-term development of employees' work well-being, innovation and commitment. The first 5-10 years of a company are the most critical, as that is when the viability of the business is measured. In small businesses, success depends above all on successful recruitment choices. In the early years, the business strategy may need to be changed, so teamwork skills and perseverance are the most important things. (Kesti 2014, 7-8, 11.) The client company is at this stage exactly, the company was founded in late 2012, so it has been operating soon for nine years. As the company grows, personnel well-being, motivation, and creativity become increasingly important success factors (Kesti 2014, 11).

Capability of human resource department can be seen in how well the human resource manager is able to work in balance between personnel and company's interests. Business intelligence is necessary skill for human resource professionals for sake of their credibility and reputation. Human resource management varies with several tasks between day-to-day routines to abstract development. That is why human resource professionals are in constant negotiation phase about their own position and purpose inside the organization. Although, caring about other people and developing the business are the core professionalism, many of human resource managers are forced to explain those things by using indicators, numbers and money. (Kauhanen et al. 2015, 60, 173.)

Even today, there are companies in Finland that talk about administrative human resource affairs instead of human resource management. Administrative human resource affairs is seen as a

remote unit – separate from the company's other functions, where employment contracts are concluded in accordance with collective agreements, holidays are arranged, sick leave certificates are taken care of and contacts with the authorities are made. Conflicts and work ability are also handled there. Administrative human resource affairs is for the most part just that, but strategic human resource management, however, is much more. *Strategic human resource management can bring value to the entire company.* (Roth 2018, referred 25.5.2020.)

Personnel is often seen as an expense, and even the most positive ones, aimed at work well-being, are only aimed at minimizing costs and reducing sick leaves. However, due to personnel savings, a company can damage its profitability. *Strategic human resource management sees personnel skills, motivation and focus of work as the core of a company's performance.* Human resource management goals and metrics can be derived from a business strategy, or even better option, human resource management is central to the strategy development phase and human resource management is a strategic partner for the entire company. With the help of strategic human resource management, it is possible to define a certain image for a company, emphasize uniqueness and thereby build an organizational culture that is useful both in business and in building an employer image. (Roth 2018, referred 25.5.2020.)

Dave Ulrich (1998, 126-130) points out the importance of human resource management in his article. The article is over 20 years old, but many of the things addressed in the article are still relevant today. Ulrich points out that human resource management – strategic human resource management – is more important today than ever before. He lists the reasons and the biggest challenges for companies as globalization, making a profit through growth, intellectual capital, technology and change.

Correspondingly, as a solution, Ulrich gives human resource management a new role as a strategic partner, an administrative expert, an employee champion and change agent. The first way to achieve those things, Ulrich mentions that human resource professionals must communicate the organization that the “soft stuff” matters. With “soft stuff” Ulrich refers to people and their needs. The next ways are setting targets and having accountability, investing in innovative human resource practices and lastly upgrading human resource professionals. (Ulrich 1998, 133-134.) The most significant of these is the employee champion because work today is more demanding than before and employees are constantly asked to do more with less resources. *What matters is, how employees are treated and how employees feel.* At this point, strategic choices become important.

Organizations are dependent on the human resources – the people. Without suitable talents, organizations are not viable. Human resources forms from knowledge, skills and energies that everyone uses in their daily roles, as well as physical and emotional health, intellectual capabilities, personalities and motivations. Organizations must remember that everyone has strengths that can be built throughout the life but also weaknesses. *In that sense, it is wrong to call people as human resources, but rather see people as independent human beings who can choose if they work in an organization or not.* Employers also must remember that everyone has a life outside the work, including friendships and family life and one challenge nowadays is to have the balance between work life and personal life. (Boxall & Purcell 2015, 3-5.)

The importance of strategic management for organizational performance is highlighted in many studies. *Deploying strategic management instead of traditional planning systems means prioritizing, selecting key success factors, using strategic indicators and goals, goal awareness, flexibility in structures, and the ability to adapt to environmental changes that are closely monitored and anticipated.* (Lumijärvi 2009, 62.) According to some studies, companies with a good human resource architecture are significantly more profitable, larger, and more desirable workplaces than companies that have handled their human resource management poorly (Aura & Ahonen 2016, 32).

Although strategic human resource management is based on the idea that recurring practices can be found for management that affect performance, it must be remembered that different situations and environments in companies affect how well each management practice works. According to some studies, strategic human resource management only leads to high performance when a company has at the same time a strong emphasis on product market strategy, i.e. when the company operates in a highly competitive market. (Lumijärvi 2009, 107.)

2.1 Strategic human resource management – definition

An approach that focuses on human resources strategy is called *strategic human resource management*. It assumes that human resource management linked to the strategic planning of the company or organization will increase the long-term performance and success of the organization. The operating model raises the role of human resources management in an organization due to

the positive impact of its work on results. Properly understood, it also emphasizes the importance of competence, development, rewarding, cooperation, work motivation and work well-being as a manageable and relevant personnel issue. (Kauhanen et al. 2015, 54.) Strategic human resource management emphasizes human resource management and development based on service and action strategies (Suonsivu 2014, 134).

Strategic human resource management is the relationship between strategy and human resource management. Above all, it is the perspective through which it is possible to look at an organization's operations. In the 1980s, it was thought that human resource management is subordinate to strategic management, i.e. strategic management determines the direction and then the strategy is transformed into human resource management measures. Further, through human resource management, the work community is made to operate in accordance with the business strategy. Later, it was thought that human resource management could influence the content of the business strategy, i.e. be on equal with the business strategy. The latest way of thinking emphasizes the importance of human resource management – and above all – human resources in the company's operations and thus also as a starting point for business strategy. As a result, human resource professionals no longer operate in their own departments in companies, but the emphasis throughout the company and work is on managing change, consulting upper-level management and ensuring organizational flexibility. In the future – why not even now – human resource management will be integrated into the changing, dynamic whole of the organization, where interaction is essential. (Luoma 2013, 49-52.)

Human resource management is a process that combines a group of individuals into a functioning organizations. It is an essential element of organizational growth. Human resource management is recruiting, deploying, motivating, appraising, training, developing and retaining individual employees as well as organizing work, informing, consulting and negotiating with individuals and groups and in worst case terminating employment agreements or downsizing entire personnel. The role and idea of human resource management might be even a bit absurd. Companies might have periods when they need to lay-off employees to improve their cost structure, but no business will survive if they won't recruit at least some suitable people on a regular basis. If everyone is laid-off, human resource management is no longer needed. But there is no company either. (Boxall & Purcell 2015, 6.)

Strategic human resource management extends to the entire company's infrastructure and cannot be separated into its own unit. A good leader understands the value of personnel experience, training, skills, knowledge and network - in other words, the importance of human capital. From time to time, it is good to consider whether the focus of the organization is only on essential administrative human resource affairs, or on strategic human resource management based on employee well-being and its impact on business performance and company value. (Roth 2018, referred 25.5.2020.)

Strategic human resource management aims to optimize organizational performance. Performance consists of the skills, motivation and strategic focus of the personnel. Skills are optimally used when personnel feel they have sufficient skills to perform their job roles. Good motivation is reflected in the willingness of personnel to apply their skills in their jobs. Strategic focusing is involved when personnel understand how their own job role contributes to the successful implementation of an organization's strategy and have opportunities to use their knowledge for the benefit of the organization. Personnel play a key role as a strategic resource. *The researchers' findings suggest that it is strategic human resource management that seems to bring competitive advantage and combine with high performance. The results show that strategic human resource management and productivity go hand in hand.* In their personnel policy, proactive organizations are most productive. (Lumijärvi 2009, 90-91, 93.)

The figure on the next page presents the dimensions of human resource management. *The focus is on the human resource strategy*, i.e. the guidelines and goals that have been set for human resource management in the company. The first dimension is resourcing, i.e. how human resources are managed: the structure, responsibilities and roles of human resources management, and the customers and stakeholders of human resources management. The second dimension is a process consisting of basic processes, such as statutory administrative matters, value-added processes that allow a company to create a strategic competitive advantage, and distinctiveness-based processes that create a positive image and promote workplace attractiveness. The geographical dimension is also related to the processes, i.e. whether the processes are local or even global. (Salojärvi 2013, 30-31.)

The third dimension is values, which include the responsibility of human resource management and the ethics of choices, the operating environment, and people's safety, well-being and competence. The fourth dimension, monitoring, links the three dimensions mentioned earlier to the

strategic objectives, i.e. the focus of the model on the human resources strategy. It is about the productivity and efficiency of human resource management, financial connections, strategic indicators and evaluation. (Salojärvi 2013, 32.)

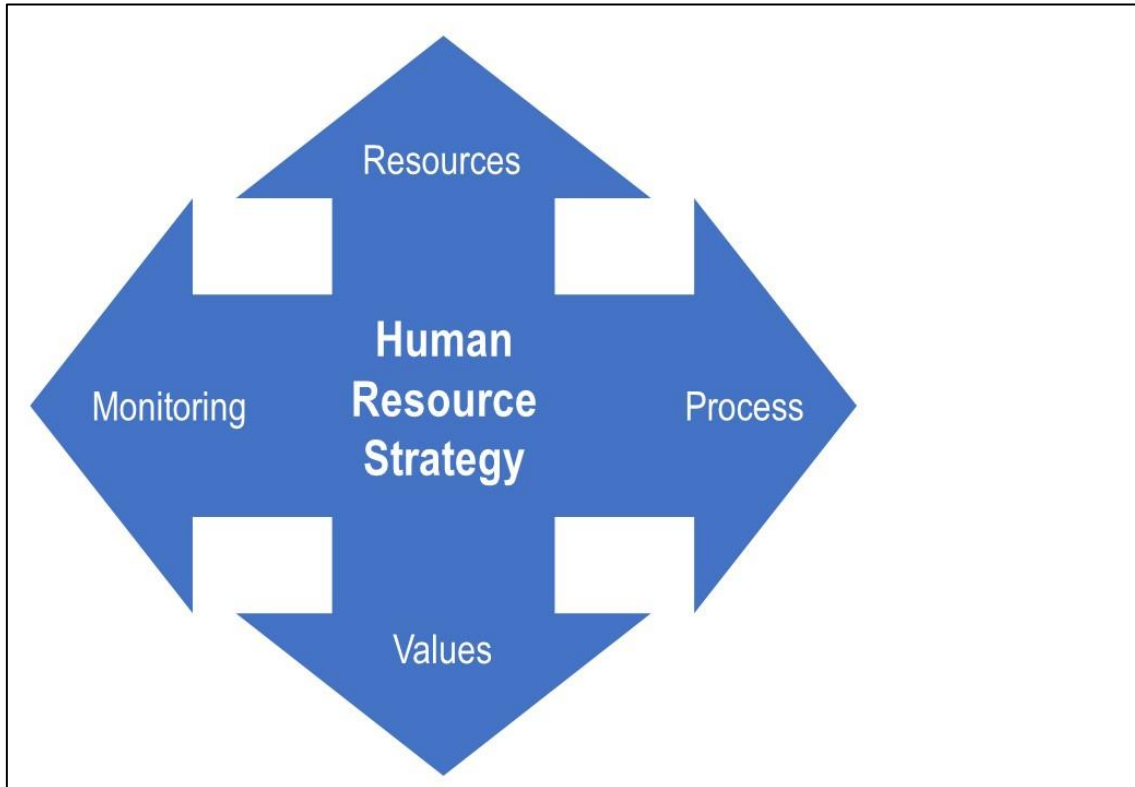


FIGURE 2: Four dimension of human resource management (Salojärvi 2013, 30).

Human resource management is integrated into strategic management so that the person, who is in charge of human resources, must be able to integrate human resources management into business and be able to bring a business savvy approach to human resource strategy (Boxall & Purcell 2015, 57).

2.2 Human resource strategy

Although human resources strategy is often referred to in the context of human resource management, human resources strategy is not a term used by researchers. Researchers most commonly refer to the concepts of commitment, motivation, participation, and development. The term human resource strategy is often not even defined, it is supposed to explain itself. However, most descriptions give human resource strategy meaning as a comprehensive human resource management guideline. There is no common view on what a human resource strategy should look

like and therefore the human resource strategies of companies are also very different. However, *success in human resource management needs a human resources strategy*. (Luoma 2013, 57-58.)

Mikko Luoma defines the human resource strategy as follows: *“human resource strategy refers to the company's overall understanding of how personnel-related aspects should be managed in order to simultaneously strengthen the competitiveness of the organization and the well-being of personnel”*. (Luoma 2013, 57-59). Rather good description for human resource strategy was also found from human resource strategy of Southern Savo hospital district (2021, 2): *“The human resources strategy is a development plan for human resources and human resource management. It is a long-term plan for defining personnel policies, goals, targets and actions.”* Suonsivu (2014, 134) defines human resource strategy as *shared view of the management and the personnel* about what kind of human resource policy is implemented in the organization.

When using the word *strategic* to describe something, *it is meant to describe something that is critical to the company's survival. It would be fatal to do it incorrectly* (Boxall & Purcell 2015, 35) – or not doing it at all. The strategy ensures the future of the company by identifying the most important competitive factors for success. *The human resource strategy is the basis for the organization's human resources management and integrates it into the business*. (Luoma 2013, 40, 67.) Competitiveness consists of a suitable strategy and the human resources with which the strategy is implemented. Unclear strategic guidelines need to be clarified, as employees are more committed to activities whose purpose and objectives are understood. (Kesti 2014, 62.)

In any case, human resource strategy work is one of the most important tasks of human resource management and should be based on an ongoing dialogue with stakeholders – company personnel as the most important. A successful human resource strategy clarifies which things affect a company's success. For employees, the human resource strategy is a description of what kind of values the company respects and what actions the company uses when it utilizes and strengthens its most important resource. (Luoma 2013, 68-69.)

A good human resources strategy includes four approaches: 1) human resource strategy as personnel-related guidelines, 2) human resource strategy as a specification of business strategy, 3) human resource strategy as a tool for distinctiveness and 4) human resource strategy as a developer of human resource function operations. Even in a simplistic way, the human resource

strategy provides answers to basic questions, such as the amount and competence of personnel now and in the future, values, performance measurement and rewards. The main beneficiary of the first approach is personnel, as the answers to the above questions will give everyone an idea of human resource management policies. (Luoma 2013, 59-60.)

A prerequisite for the second approach is that the company already has a business strategy in which the company describes the forces that help the company move forward. These factors may include technological, economic, market and human factors. The approach reveals the weight of personnel in the business strategy - an issue that is not mentioned in the business strategy cannot be considered a competitive advantage in the human resource strategy. The beneficiaries of the approach are the supervisors, whose task is to strengthen and utilize the competitive factors related to personnel. (Luoma 2013, 61-62.)



FIGURE 3: Four approaches of human resource strategy (Luoma 2013, 67).

It has been learned that a business strategy must be different compared to competing companies. The same concept applies to the human resources strategy, in which case the human resource strategy specifies the areas in which the aim is to generate the greatest possible value. In this case, we look at the human resource management processes that are at the heart of the entire strategic

human resource management. These reinforce the company's cultural identity, which makes the company exactly what it is. The main beneficiary of the approach is upper-level management. When they have an idea of what is specific to the company in human resource management, it can better understand why some strategic directions are more successful for the company than others. (Luoma 2013, 62-64.)

The fourth approach emphasizes that human resource management is a matter for the entire company, not just the responsibility of the human resources manager. Often, small companies do not have a separate human resources manager, so in small companies the emphasis is on integrating human resources management with other management. Especially in a small company, organizing the human resource functions is important so that all areas of responsibility are taken care of. Nowadays, it is possible to purchase a lot of services from external suppliers and focus internally only on those things what the company considers important. For example, administrative human resource affairs can be purchased and do the strategic development internally. The most important part of the human resources strategy is precisely the assessment of the current situation and then, above all, how the human resource functions will be developed in order for the company to achieve the strategic goals it has set. The beneficiary of the approach is therefore the whole organization. (Luoma 2013, 64-66.)

Some people think that a company's upper-level management is responsible for making the strategy, including the human resources strategy (Korppoo 2013, 78). Perhaps a more correct form would be that upper-level management is responsible that these strategies are made, but it is important that the whole personnel is involved in making them, since participation has a special role to play in change management. The management and implementation of change emphasizes the direct involvement of personnel, which has a clear impact on improving performance. Leadership is reflected in performance indirectly through the job satisfaction of personnel. (Lumijärvi 2009, 95.)

In co-operation and participation must be remembered that it has to be real co-operation and participation – companionship. It is not doing together if there is a presentation by strategy consultant in a meeting room or auditorium, employees are told to change their behavior and afterwards strategy consultant makes the strategy document. One might notice that nothing happened and actually the document is not even a strategy but rather a list of goals. A real strategy includes a clear set of choices that *define what the company is going to do* and what it is not going

to do. And choices are effective only if personnel is setting the choices along with management. Management must trust the personnel that they are capable to evaluate the business, markets and strategy and that personnel can have development and improvement ideas. (Vermeulen 2017, referred 25.5.2020.) It is important that there is such a strong trust between the management and the personnel of the company that the strategy can be given to the personnel to deal with and the personnel dares to challenge the views of the management and give their own contribution. (Sutinen 2019, referred 25.5.2020.)

Aura and Ahonen (2016, 109) agrees: it is really important that the human resources strategy and strategic well-being policies are reviewed together with the entire personnel. Although Aura and Ahonen in some contexts (e.g. 2016, 116, 120) are of the opinion that setting goals and decisions are the tasks of the management team, this may not always be the case. The more everyone participates from the planning stage onwards, the better everyone will be committed to what has been agreed together. With regard to the management of strategic well-being, it is good to agree, for example, what kind of input is expected from the personnel, what kind of things everyone can do personally, how they can influence the development of competence and motivation or the maintenance and development of work ability. Although company management plays a key role in creating the right conditions, many issues that affect work well-being are the responsibility of every member of the work community.

3 STRATEGIC WORK WELL-BEING MANAGEMENT

Already in the thesis project plan had hypothesized that by investing in work well-being, the company's profit would improve and, according to the plan, it was also wanted to verify this statement on the basis of research. The importance of strategic human resources management has already been recognized in the company, but it is *equally important to make a strategic choice on what things to invest in strategic human resources management.*

According to researches Aura and Ahonen (2016, 104) any company has the opportunity to develop strategic work well-being management. They have created a model, and according to the model, the knowledge base must first be in order to support decision-making that promotes work well-being. Second, a program need to be built and then make sure that the organization's functions really support work well-being. This is followed by ensuring that day-to-day management and special projects also support work well-being and, finally, ensuring the effectiveness of operations. This thesis is the construction phase of the program, but as the goal was initially set, the strategy is meant to be practical so that the tools are really available for everyone, both management and personnel. Strategic well-being should initially be developed as a 2-3-year development program, during which monitoring and measurements are carried out with particular care. If successful, strategic well-being should become an integral part of the company's operations during that time, and no longer be a separate program or project. (Aura & Ahonen 2016, 117.)

The purpose of this chapter is to prove that work well-being as a strategic decision is the best choice. This chapter goes through the definitions of work well-being and strategic work well-being management in general level, and why it is important that it is specifically work well-being that is wise strategic choice. The chapter also presents evidence from an economic perspective, i.e. it proves the hypothesis that by investing in work well-being, a company can improve its result.

3.1 Work well-being as a strategic choice

According to some thoughts, the starting point for strategic work well-being management can be either to develop people's well-being or to improve the company's profit. Further, according to those thoughts, the well-being of people and the performance of a company are far from each other and

cannot be combined but combining them is both possible and necessary. (Suutarinen et al. 2010, 45.) It must be remembered that *only successful – profitable – company can employ*. Success can be defined as profitable in this connection, because if the company is not making profit, in the long run, it is not able to employ or even function.

Work well-being should be thought of as a strategic choice that combines the interests of both people and the company. The strategic importance of work well-being often comes to the fore in chaotic or changing situations. That is when all that is left are people, their skills and their ability to work together. When working life is reflected in uncertainty, change, temporariness and rapid changes, work well-being is a key factor for both the individual and the company. (Suutarinen et al. 2010, 46, 49-50.)

The challenge of the work well-being phenomenon is its complexity and different definitions. It is defined differently by different parties – even different workplaces. It is difficult for organizations to think about what work well-being is and how – or even – it can be managed. The productivity of work coming through work well-being consists of e.g. good leadership, people's motivation, managing one's own work, and the atmosphere and smooth running of the organization. Nor should we forget people's own well-being and its development, where life management and the delimitation of work and free time are important. (Aura & Ahonen 2016, 18-19.)

Strategic well-being is the part of work well-being that is important for an organization's performance. The development of productivity takes place both through the reduction of the costs caused by incapacity for work and through the increase of productivity. Strategic well-being management covers all the functions of a company that affect strategic well-being. These include, in particular, strategic management, human resources management, supervision and occupational health care. (Aura et al. 2019, 10.)

One definition of work well-being is "*work well-being means safe, healthy and productive work done by skilled employees and work communities in a well-run organization.* Employees and work communities find their work meaningful and rewarding, and they think the work supports their life management." Work well-being can be seen as a four-dimensional phenomenon that includes *current work ability, workplace performance, work life and personal life balance, and the future effects of work well-being.* (Aura & Ahonen 2016, 20-21.) The figure (figure 4) on the next page outlines this in more detail.

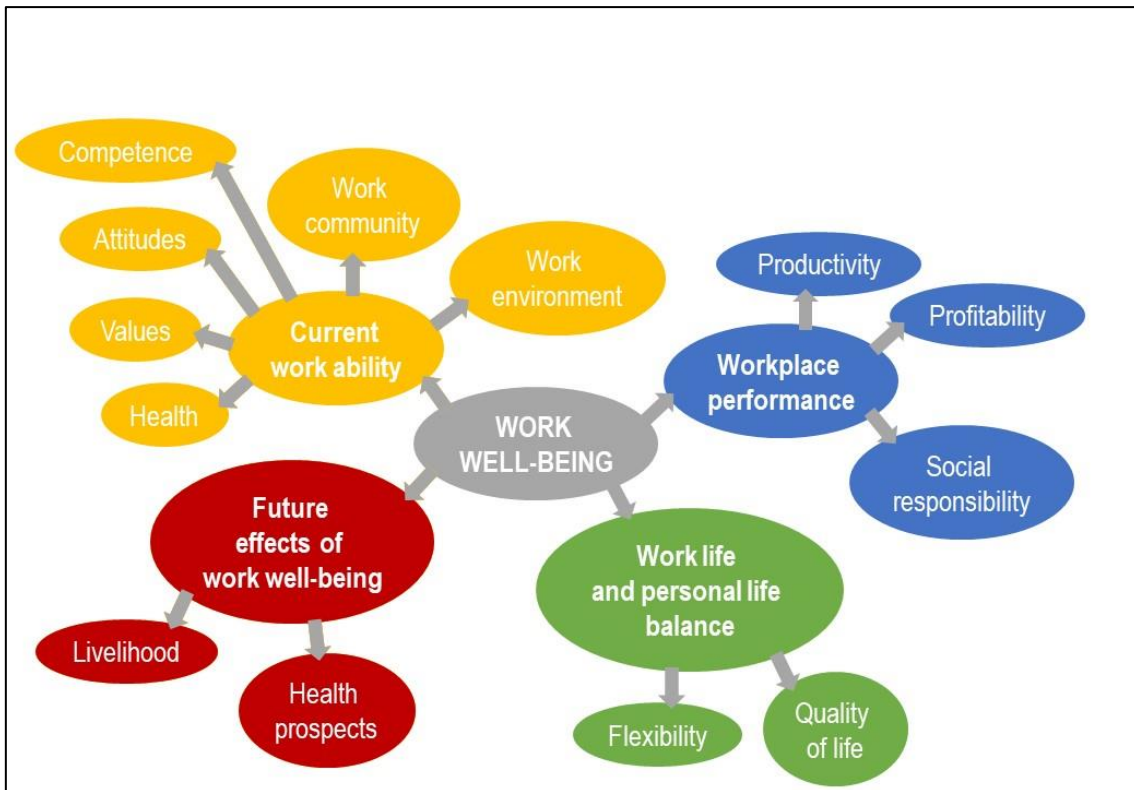


FIGURE 4: *Current work ability* is influenced by health, values and attitudes, competence, work community and work environment. *Workplace performance*, on the other hand, is driven by productivity, profitability and social responsibility. *Work life and personal life balance* consists of flexibility and quality of life and *future effects* for livelihood and health prospects. (Aura & Ahonen 2016, 21.)

When talking about work well-being, one can talk about a healthy organization. According to some definitions, it is an organization that accomplishes the mission of the organization and at the same time enables individuals to learn, grow, and develop. In addition, a healthy organization can be seen as one that simultaneously works in the interests of the individual, the organization, and society. (Aura & Ahonen 2016, 27.)

Work well-being is directly affected by the fact that work is meaningful. The need for meaningfulness is inherent. If in the past work was just a way to get food on the table, nowadays it is more and more important, in addition to salary, to be able to utilize one's own skills and the work corresponds to one's own world of values. And because all of this has a direct link to work well-being, it is important that it is taken into account in the work community. The meaningfulness of your own work can also be affected by yourself, and it does not always mean changing jobs. The important thing is that the work is fluent. From time to time, one should also stop to think about

what the work means and what one wants to achieve with it. It's worth focusing on one's own strengths, as negative thoughts waste energy unnecessarily. (Pelo 2021, referred 25.2.2021.)

When a company performs better, human resource development must not be forgotten. A successful company does continuous development work, which distinguishes it from a mediocre company that only does project-type development work. (Kesti 2014, 63.) It can be said that continuous development is a self-feeding phenomenon, which is described in the figure (figure 5) below.

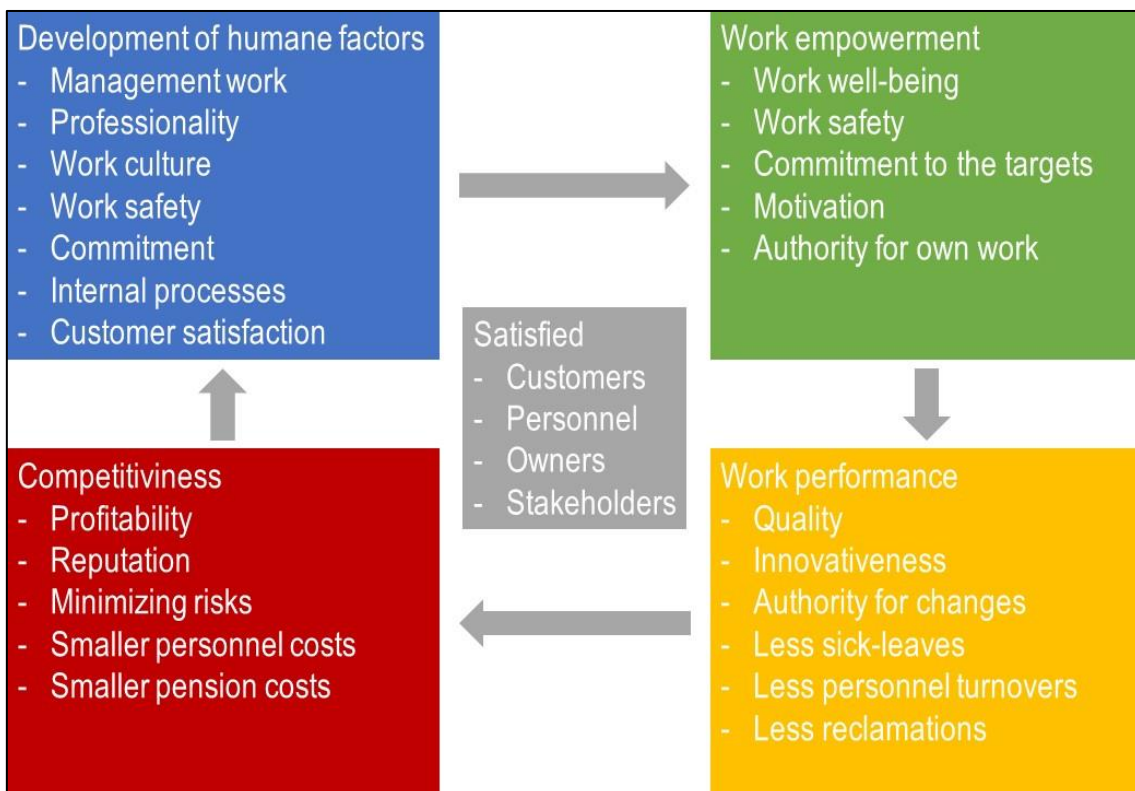


FIGURE 5: Cause-and-effect relationships in the development of humane factors (Kesti 2014, 73).

Continuous improvement refers to the process by which teams or other parts of an organization work together (personnel and management together) to develop work. In continuous improvement, the team can make decisions about itself and also has the resources to implement decisions. Continuous development activity had a clear link to productivity: companies that regularly implement continuous development were 10-19% higher in productivity than the industry average. (Aura et al. 2019, 47-48.)

Related to continuous development, both Kauhanen et al. (2015, 155) as well as Aura and Ahonen (2016, 34) refer to the OECD proposal that personnel education costs could be recorded in the company's accounts just like investments in machinery and equipment. Depending on the point of view, it is not even a talk about the *cost* of education, but specifically about *investment*. The proposal has not been welcomed by accounting and auditing professionals. However, development activities may be recorded in the accounts in order to develop the business, in which case they may be activated and thus improve the company's result. (Kirjanpitolaki 1997, 8§, referred 29.10.2020.) Not all companies see the personnel development as an investment but as a mere cost that is to be minimized. Acquisitions made to improve the well-being and productivity of employees must be seen specifically as an investment. These purchases can include training or education services, devices and information systems, as well as personal use of time. (Kesti 2014, 67.)

3.2 The impact of management practices on work well-being and financial success

Ossi Aura and his colleagues often focus their research on the relationship between management and financial performance. Among other things, the Finnish study on work ability has found that work ability (the ability to do productive work) consists of the sum of the health and competence of individuals, the work communities formed by them and the work environment. Stress research has highlighted those psychosocial factors in the workplace that, in the longer term, burden workers and cause a decline in health and performance. (Aura et al. 2019, 73.)

Sydänmaanlakka (2004, 104) mentions that "every employee should be entitled to good leadership and that the leadership should be seen as a service designed to organize employees' success". On the other hand, it has been argued that there are no good or bad leaders. There are only leaders who act in a way that is appropriate or inappropriate for the situation. Also, studies show that management development increases productivity and performance depends precisely on the successful combination of the situation and the management style. Management development and training should therefore focus on those factors that help the manager act appropriately for each situation. Sometimes there may be a need for interpersonal training and sometimes for organizational skills training. When training is properly targeted, a direct link to improved performance can be observed. In particular, the development of human resource management skills has an impact on performance. (Lumijärvi 2009, 64, 98, 102.) Based on those arguments, it

can be stated that human resource strategy will have a positive impact in the future, if it is seen as a handbook and support for both management and personnel.

Studies of the link between management and performance often emphasize that the link is not necessarily direct but indirect. Some management techniques may have a greater performance-enhancing effect than other techniques. For example, some techniques have a direct effect on the improvement of the work atmosphere, the goal orientation of the personnel and the behavior of supervisors, and thus the effect is reflected in the improvement of the performance. (Lumijärvi 2009, 94.) Interactive and encouraging management work and constructive teamwork play a key role in improving human resources. It is best if the work community itself notices things that improve the fluency of work and the implementation of the strategy, as it creates a good team spirit and experiences of success. (Kesti 2014, 62-63.)

Aura and his colleagues have divided the management practices into five themes: management decisions, continuous improvement, career management, management – leadership and work ability management. The themes emphasize the whole of strategic well-being management. Good management and various development measures have been shown to have a clear link to the company's profit, but the impact is not sustainable. (Aura et al. 2019, 69-70.) Therefore, it is very important that good management and development measures are taken care of continuously and not only in the annual or every few years of updating the company's strategy. Good management must be part of the company's day-to-day operations.

Leadership is a complex phenomenon. For a long time, business economics has been structured according to the different management functions of companies. Marketing, finance, accounting, logistics, production economics, and strategic management are all dimensions of good management, each with its own characteristics and theoretical frameworks. Aura's and his colleagues research examines the way in which personnel, and in particular personnel well-being management and decision-making, affect the outcome of an organization's operations. Studies show that the existence of written goals and plans for employee work well-being appears to contribute to a company's profitability. (Aura et al. 2019, 74.) Thus, the research result undoubtedly shows what benefits can be best at strategic human resource management and strategic well-being management, i.e. human resource strategy.

From supervisors it is expected more leadership than management. Employees want support and coaching instead of authorizing. World and work life is constantly changing so emotions are more visible in workplaces. Experts are totally capable of doing their job independently but talented supervisor and leader gives a deeper meaning for the job. The success of leadership can be measured for example using personnel surveys or how often the personnel is changing. Also, it might be useful to measure the success using customer surveys or partner surveys. And as mentioned earlier in this thesis, good leadership is also reflected in the company's profit and performance. (Holopainen 2019, referred 26.8.2020.)

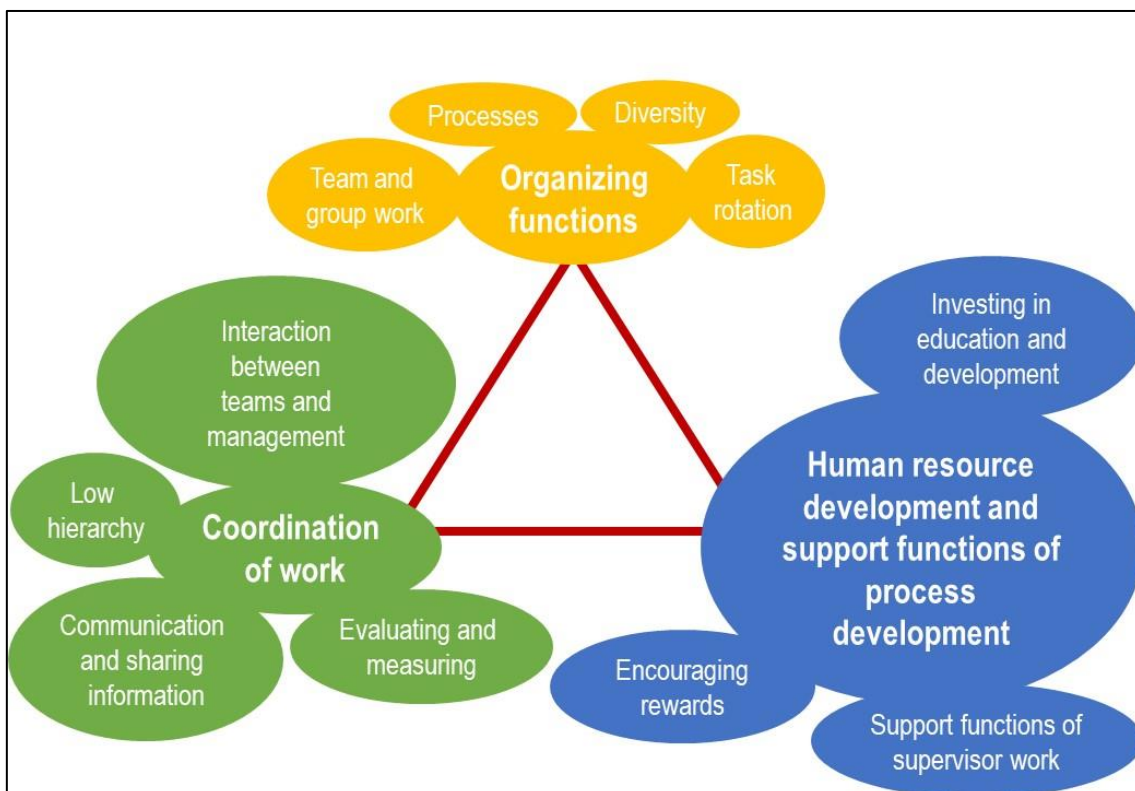


FIGURE 6: Key elements of a top-performing organization's practices (Kesti 2014, 95).

The competence of management in supporting the well-being of personnel is related to the productivity and profitability of companies. Those companies where the competence of management is inadequate remained in productivity in about 20% of the enterprises where the competence was average or good. EBITDA¹ in poor level companies is 3,1 percentage points below the industry median and in the best 2,4 percentage points above the median. (Aura et al. 2019, 58-59.)

¹ Earnings Before Interest, Taxes, Depreciation, and Amortization (Hayes 2020, referred 27.5.2020).

Management personnel decisions are related to both higher productivity and financial performance. An excellent level of management decisions can affect up to 15 percentage points higher productivity. It should be noted that strategic well-being management is excellently implemented in only 9% of companies, and only the best level of strategic well-being management is clearly associated with better financial performance. (Aura et al. 2019, 44-45.) Thus, Finnish companies have the opportunity to improve the level of strategic well-being management a lot.

3.3 Economic perspective

Usually, in companies *performance* is not used to describe the profit or revenue or its development. On the other hand, performance is something more than *productivity*, performance is wider success. The measure of a company's ultimate success is seen by many as its profitability and ability to make a *profit*. (Lumijärvi 2009, 15, 21.) Profit refers to financial result and it is calculated as total revenue less total expenses (Kenton 2019, referred 4.5.2020). In this thesis performance and profit are most commonly used when referring to company's financial targets.

When talking about performance, it can be described in many ways and with many indicators. For example, capacity of development, flexibility, rate of achieving targets, recruitment criteria, planning practices, co-operation and its functionality, productivity, respect between managers and personnel, utilization of different skills, job satisfaction and loyalty can be used as indicators. However, there is no standardized model to measure performance. Indicators are always chosen by organization only. Performance is often connected to target setting since organizations exist for certain purpose and to achieve the targets derived from the purpose. It is important that targets are clear, and they are set together by the whole team. Otherwise, they cannot be measured properly. Targets can be related to internal processes or results and they can be general or specified to certain organization. However, it is important that everyone understands, what benefit and for who it brings when achieving the targets. (Lumijärvi 2009, 16-17, 22-23, 29, 31.)

Depending on a researcher, performance can mean for example achieving the targets, 'performance' of organizational processes and structures, i.e. personnel motivation, job satisfaction, internal communication and problem-solving tools and the adaptation of the organization to its environment, i.e. for example, flexibility, resource acquisition, stakeholder relations and the sustainability of the organization's viability. Performance can also mean the

success of the organization at the same time in terms of quality, quantity and cost. In the long run, an efficient and productive organization is inevitably also of high quality and comfortable as experienced by the personnel. There is lot of empirical evidence that an organization that provides support to its personnel also creates an environment that is reflected in the proactive behavior of personnel and customer satisfaction. Only high-quality working conditions and well-motivated and skilled people can generate good customer service, cost-conscious and smooth production, and provide very impressive and well-accessible services. (Lumijärvi 2009, 31, 38.)

Ossi Aura uses financial statement data as a reference in his research, so it can be stated that productivity in his researchers refers specifically to economic productivity, i.e. profit. From the perspective of the national economy, the profitability of companies is the basis for competitiveness and a welfare society. At the same time, it is the basis for companies' viability. The company's result is based on efficiency, i.e. how well the company is able to use its factors of production to achieve financial results. Factors of production can refer to people, and in the service sector specifically to people. Strategic human resource management practices focus on people as factors of production and ways to improve a company's profitability. (Aura et al. 2019, 11-12.)

Productivity is not the right term in this content since the client company is in software development business and only results and quality matters. It means that some employee can make the same result with less working hours than the other one, but most important thing is that the company can deliver the product to the customer on time. The company does not value personnel by the amount of working hours. As said also in Lumijärvi's (2009, 28) research report, if measuring performance only using productivity as an indicator, it does not concern the quality at all. When evaluating the meaning of the management or leadership to company's profit, it can be evaluated for example by measuring revenue, growth of sales, market share, by amount of delivered orders or marketing costs, by net profit, balance between debts and own capital, by cash flow or by personnel absence numbers. However, just by using economic indicators it is not possible to describe how justice or responsible the company is. (Lumijärvi 2009, 41, 50.)

Economic viability is crucial for any company. Challenge for the company, human resource management and managers is how to have enough economic flexibility, secure the viability and have talented personnel all at the same time. The company must have some sort of cost-effective system. The company must ensure that it is able to recruit people in a way which it can afford and at the same time people would have to be skilled, trained, effective and motivated. Personnel, as

well as the company itself must be also flexible, to have ability to change when the environment changes. Many companies solve one challenge to have temporary personnel or personnel with zero-hour-contracts. Also, many companies choose to offer overtime to its permanent personnel when there are seasonal or project-specific changes. (Boxall & Purcell 2015, 8-10, 12.)

Human resource management is between economic and humane contexts. Human resource management has to have ability to secure the economic viability of the company and at the same time stand up for personnel rights. The company and its managers needs to make sure that company fills its obligations to its shareholders, owners, banks and other debtors. At the same time company needs to pay reasonable salaries for its personnel and other operational costs. If the company is not able to meet the demands, managers and personnel may be fired or laid-off, company may be sold or merged into larger company. It is crucial that human resource management has profit motivation and understanding how the company works. (Boxall & Purcell 2015, 8.)

When an organization is seen as part of its environment and engaging in exchanges with it, it is natural to conclude that performance equals the organization's responsiveness to the needs and expectations of the environment. A successful organization adapts to the changing needs of its environment and customers. Effectiveness is evidenced by the overall ability of an organization to meet the needs of its members by providing a variety of incentives that enable members' contribution to be maintained and membership to continue. An organization succeeds if it is able to satisfy both the development needs of the organization and the own working life needs of its personnel at the same time. It emphasizes, as a measure of organizational performance, the extent to which an organization is able to create good and healthy working conditions. (Lumijärvi 2009, 30, 32-33.)

When observing the economical challenge from strategic point of view, company can make a strategic choice whether it is going to recruit permanent or temporary personnel or whether it is going to have the production in developed country or move it to low-cost country. The risk with temporary personnel is, that eventually they will change for permanent work somewhere else. Permanent employment agreements, adequate salaries and benefits build loyal personnel. The most flexible and resilient company is the one which can create balance between stability and flexibility while maintaining personnel trust and confidence. In difficult economical situations it is a huge benefit if employer and employees are able to negotiate for example shorter working week or

part-time layoffs instead of just firing or laying-off the whole personnel. (Boxall & Purcell 2015, 11, 21-22.)

These kind of strategic choices that are mentioned above, can be huge competitive advantages for company and they can enhance its profitability. With permanent employment agreements and adequate salaries and benefits company can have more talented personnel than its competitors who might have different strategic choices. However, it must be remembered that as important as recruiting talents is the organizational processes or social capital advantage: companies can fail to make best use of its personnel potential if the company has poor organizational processes and/or poor leadership. (Boxall & Purcell 2015, 12.)

In companies which emphasizes personnel and work well-being in their strategies, EBITDA was 11,6 percentage points higher compared to companies which emphasized different things or did not have proper strategy. In companies which emphasizes for example personnel development and family friendliness, EBITDA was even 17 percentage points higher compared to companies which did not emphasize those matters. Also, the competence of management in the development of work well-being has a great impact to the company's profitability. Research recommends that personnel productivity would be widely and thoroughly taken into account in strategies. (Aura et al. 2018, 12, 13, 14.)

3.4 Work well-being management

Work well-being as a phenomenon appeared in the Finnish debate in the 1990s, as it became necessary to consider extending working careers due to demographic change and reducing the costs of sickness at work. Thus, work well-being has both company-specific and social weight, and these together create economic profit. Work well-being can and should be managed strategically, as the resulting future profit growth can bring the company economic growth of up to 5-10 percent, which can mean an increase of up to 20-60 percent in operating profit. Correspondingly, the cost of lack of work well-being can be 3-13 percent of a company's payroll. It is important to understand that poor productivity causes uncertainty of the employments and that directly weakens work well-being. The basis for strategic work well-being management should always be the company's values and strategic goals. (Aura & Ahonen 2016, 18-20, 22, 24.)

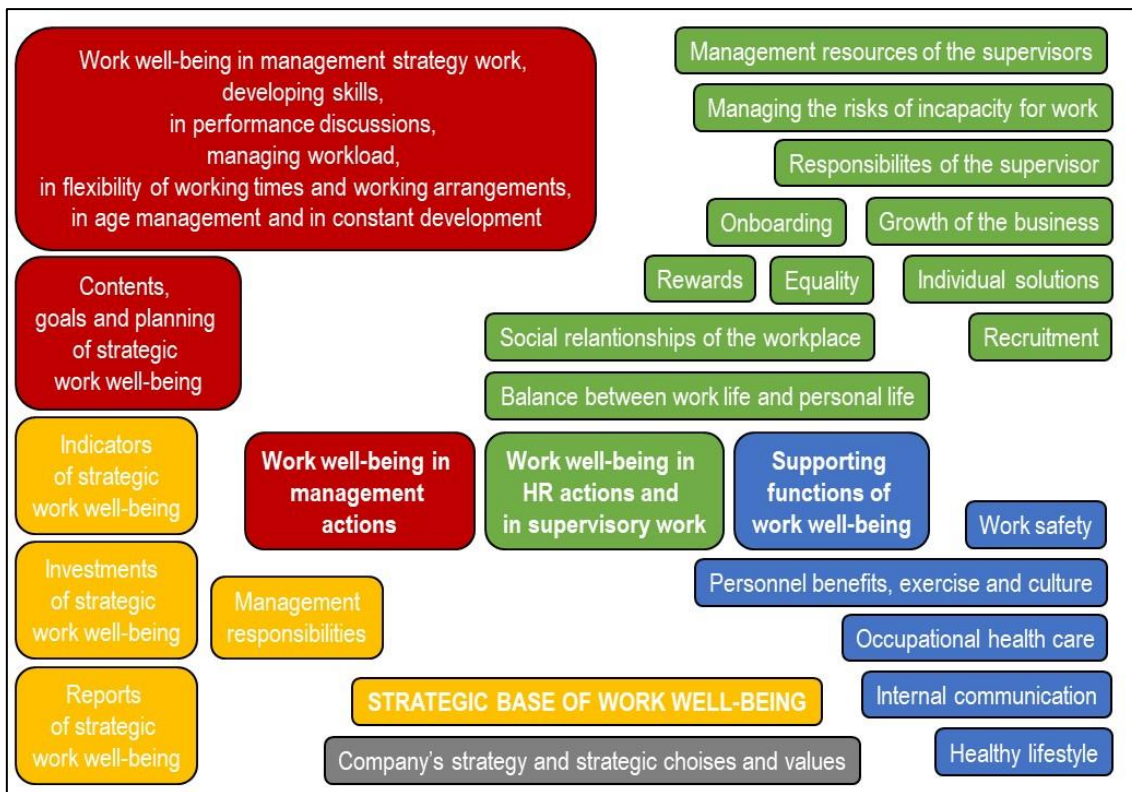


FIGURE 7: The figure adaptively describes Aura and Ahonen's view (2016, 59-98) of the whole strategic work well-being management and how different functions are related to both work well-being and the company's functions.

Work ability management could be seen as part of - or even an umbrella concept - for career management. There are several definitions and scope of work ability management. In their research, Aura and his colleagues define work ability management in order to develop and, in particular, maintain the work ability of personnel. One important player in work ability management is occupational health care. Active occupational health care functions are related to the profitability and productivity of the company. Surveys are used as a means. Those companies that do surveys rarely lag in total productivity by 12% of companies that do surveys more often. The most common of the indicators is the sickness absence rate. In companies with low sickness absence rate, EBITDA may be 3,7 percentage points higher than the industry median. The emphasis on work well-being in the training of supervisors, in development discussions, in the flexibility of working hours and work arrangements, and in the regulation of workload are related to higher EBITDA. (Aura et al. 2019, 60-62.)

Career management consists of health promotion, development of competence, work content, working conditions and management, improving managerial work, reducing workload, working time

arrangements, enabling part-time work and, for example, senior leave. Improving the work of management to prolong careers has impact to company's performance. According to the research, companies implement comprehensive projects where career extensions are possible alongside other goals. It is possible to achieve an EBITDA of up to 10 percentage points higher than the industry median. (Aura et al. 2019, 52, 54-55.) One might think that actions to extend careers are the same as actions to make people more satisfied at work. Thus, better job satisfaction automatically leads to longer careers when people are refreshed and in good shape and enjoy their work. Musculoskeletal disorders and mental health problems are the main causes of early retirement (Finnish Centre of Pensions, referred 11.6.2020), so investing in career management can address these causes. Early retirement is a challenge not only for employers, it is also a national economic problem (Köngäs 2016, referred 11.6.2020).

Monotonous work, poor empowerment, poor managerial support, and a large number of conflicts in the work community significantly increase the number of sick leave. Management that is perceived as fair has been found to be associated with better health and faster return from sick leave. These are examples of the factors that good management and supervisors are aware of, and that form the mechanisms through which good management translates into productive work and ultimately business results. Every business leader and politician should be interested. If decision-makers are not interested in the well-being of citizens, and in particular the working population, one could think that they are interested in how work well-being and management relate to the competitiveness of companies and the economic capacity of a nation. (Aura et al. 2019, 73.)

Employees' opportunities to influence their own work increases the quality of working life. Improvements bring the change in work well-being and productivity, which in turn improves the fluency of work and thus, for example, quality errors are reduced and effective working hours are increased. As effective working hours increase productivity without increasing personnel costs, it can be assumed that the company's performance will improve. All of this has a positive effect on personnel turnover and job satisfaction. (Kesti 2014, 17.)

The principles of work well-being management are:

- Work well-being is a goal-oriented activity included in human resource management.
- Work well-being is implemented in co-operation between the employer and the personnel.
- Personnel competence and professionalism are constantly maintained.
- Every employee knows the goals of their team and their own work.

- Employees have clear responsibilities and they are able to plan their own work.
 - The tasks correspond to the employees' skills, expertise and capability.
 - The work is meaningful and interesting.
 - Employees are encouraged and supported.
 - Workplace health and safety risks have been carefully evaluated.
 - The work environment is functional, healthy and safe.
 - The work is physically and mentally suitable for each employee.
 - Working conditions and personnel well-being are constantly monitored and evaluated.
- (Suonsivu 2014, 164-165.)

Achieving a high level of performance requires management expertise in all of the following areas: moral leadership of supervisors, the willingness of supervisors to give support in the work community, willingness to make changes, kindness, ease of contact and acceptance of dissenting opinions, the goal-orientation of supervisors, detecting competitive positions and sacrifice for the sake of achieving goals, supervisors' attention to working conditions, leadership that emphasizes the use of good work methods, introduces new ways of working, pays attention to the workload and adheres to schedules. Also, from personnel point of view, the most important tasks for the management level are developing reward and work requirement systems, education, addressing grievances, supporting personnel, taking care of work safety and occupational health care as well as promoting career plans. (Lumijärvi 2009, 59, 64.)

Aura et al. (2019, 78-79) suggests that companies would take personnel development and capabilities as part of strategic and operational management, that companies would carefully discuss about development needs, because it is the key to profitability, that companies would set both goals and indicators side by side, that companies would demand and develop management skills through the whole management level, that companies would ensure the development processes to be active and follow and analyze the results according to comprehensive indicators.

In this thesis the things that have impact in work well-being are listed in the next chapter, in the actual human resource strategy of the company and not here. The things are chosen based on several studies, literature and perspectives of the company's personnel. Most of those things are listed in Service section, which means that they are seen as a service for personnel and with the proper service long-term loyalty can be built.

4 HUMAN RESOURCE STRATEGY – WORK WELL-BEING AS A STRATEGIC CHOICE

This chapter is the *actual human resource strategy* and it is built in a form of customer journey. It describes the client company's customer journey from recruitment to retirement. The point is to describe the path from the first perception to the last one. The human resource strategy can be presented in any form, according to the company's way. (Luoma 2013, 67). A good human resources strategy is one that works for the company in its own context (Boxall & Purcell 2015, 58). As this is a thesis, the human resource strategy is now presented in a rather formal written form, but in the future, it can be modified to be more visual and in line with the company's other visual design. It is worth noting that this is all about strategic choices and not detailed plans or instructions. Detailed plans or instructions either already exist or will be made after the completion of the human resources strategy, and those will be attached to the strategy later.

The customer journey and touch points related to work well-being are described in this human resource strategy in such a way that the arguments picked from the literature, guides and the company's personnel opinions and the resulting actions and strategic choices are presented in the same context. In some cases the theoretical argument equals the company action or strategic choice. It is important that this first version specifically includes a theoretical arguments so that it is clear that there is argument for every touch point and they are not just the author's own opinions. Over time, with annual updates, the theoretical part that has become familiar can be gradually dropped out or the chapters can be modified differently.

As at least Boxall and Purcell (2015, 13) mention, companies operate in environments with many different laws, e.g. employment relationship and general assumptions about how people should be treated. In Finland, the most important employment-related laws are the Act of Employment Agreement, the Act of Working Hours, the Act of Annual Leave and the Act of Collective Agreement and the Act on Co-operation in Companies. (Ministry of Employment and Economy 2015, referred 17.9.2020). All these must be of course the base of every human resource strategy no matter how it is built. Also, there are many guides available to help especially employers to organize important matters in workplaces, like guides for occupational health care, family-friendliness, work well-being and work safety.

4.1 Customer journey from recruitment to retirement

In this thesis, a customer journey map has been used to describe the customer's – employee's journey from the first observation through career to retirement or change of job. Every touch point and step comes with a work well-being perspective. The customer journey map is modified from Ohlson's (2019, referred 27.3.2021) article as there was the best and most clearly illustrated customer journey map example and its steps awareness, consideration, acquisition, service and loyalty. Those steps fits perfectly for the original thought of the author of the thesis and the idea of how the human resource strategy should be built.

In this customer journey description awareness means mostly the recruitment process but also the overall company image and brand. Consideration goes along with awareness, since lot of consideration is being done during the recruitment process. Acquisition means the decision to have a companionship. The decision is made by both parties, the company and the job applicant. Service means the services and benefits the company offers for the personnel. And lastly, the loyalty, which means the last step of the customer journey and it can be seen as a result or a goal based on the previous steps.

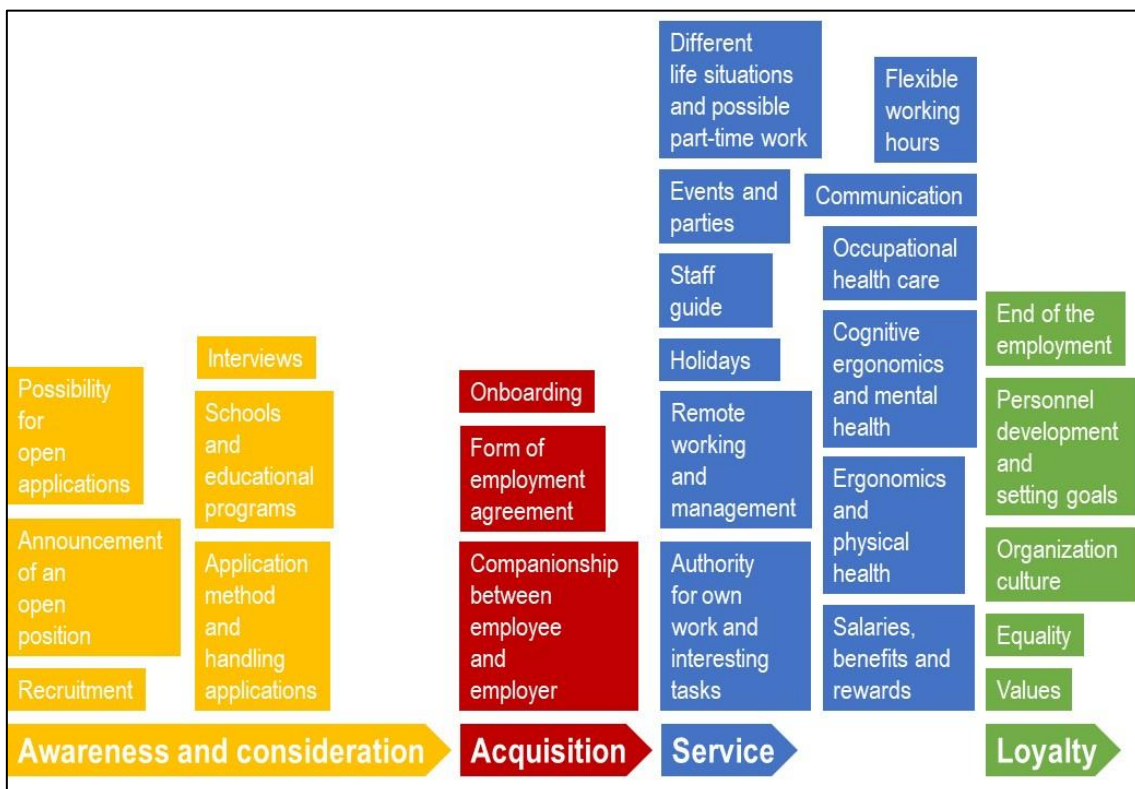


FIGURE 8: The company's customer journey map and touch points.

4.2 Awareness and Consideration

In the first phase, raising awareness is essential. In the case of the client company and from a human resource perspective, this means company can reach the interest of potential new team member. The long-term goal for the company is to be the desired employer and that the company's brand to be so well-known that company websites and social media channels can be found and job applications submitted easily. When the company's current personnel was asked what they were paying attention to when applying for a new job, or when they were applying to the company, the most important thing has been the job description and what kind of workplace the company is marketing itself to. These issues should therefore continue to be addressed, i.e. relevant and enough challenging tasks, in which one can develop oneself, and the organizational culture. (The client company 2020.)

First touch points can be found in recruitment process. Each of these touch points can either be tempting or unapproachable. For the potential new team member, these touch points include, for example, an announcement of an open position, websites and social media channels and ease of submitting a job application, the possibility of an open application, how and how quickly the application will be answered, an invitation to an interview, the actual job interview and follow-up to actual recruitment or rejection. The client company rarely uses announcements of open positions, since the company gets a lot of applications anyway and has found different kind of educational programs, employment internships and school projects much better recruiting channels. In this case, recruitment means the whole process from raising awareness to acquisition.

In the recruitment phase, several factors affecting work well-being are reviewed, such as attitude, motivation and ability to cooperate (Aura & Ahonen 2016, 152). The company's job interviews also tend to find out the willingness to learn and develop, how the candidate's previous supervisors or colleagues would describe the candidate as an employee, and how easy it is for the candidate to ask for help in difficult situations. Recruitment is known to be very critical and even difficult, as erroneous recruitment can lead to a deficit of up to a year in the performance of the task in question and even cost hundreds of thousands of euros (Aura & Ahonen 2016, 152). Often in a recruitment situation one have to act on your own instincts, intuition. The company has already outlined in the past that suitable individuals, personalities, are recruited rather than ready-made professionals if such a choice has to be made in a recruitment situation. It is largely a matter of the company operating in such a specific field that it is difficult to find a so-called ready-made professionals, so

the company is always looking for the *right person for the team*. It is possible to learn the skills required for the job by doing.

Consideration is involved throughout the whole recruitment process. Both parties are considering their own perspectives. It is often thought that the recruitment process, and especially the job interview, is for the employer to select a new employee and think about whether the applicant would be a suitable new team member. However, companies should also think of the process as a place for the applicant to consider whether the company would be a suitable workplace for him or her. The process should not be thought of in such a way that only the company has the power to choose, but also the applicant has the equal power. At the end of the recruitment process, both parties will make the final consideration and decision before moving on to the next phase, acquisition, unless there has not happen rejection by either party.

Recruitment is one of the most strategic human resource management issues. A good recruitment process requires perseverance and foresight. (Salojärvi 2013, 119.) In order for a company to be able to recruit the right people at the right time, it is important to have an honest dialogue among the entire company personnel about what kind of skills and talents the company needs now and in the future. It is a good idea to have this monitoring and discussion at least once a year, in some cases two times a year. It is also good to note that recruitment can also mean internal recruitment (Salojärvi 2013, 119), which have not really been done in the history of the company, but as the size of the team grows and the skills of the personnel develop, internal recruitment may come into play.

4.3 Acquisition

Next touch points are after recruitment process when new team member joins the team and usually it starts with signing the employment agreement. At this phase both parties have already made a decision that they want to co-operate. However, it can still be possible that other or both parties find out something that in the end the employment is not possible.

The company has always had a policy where there should not be confrontation between the company and employees. Main idea has been that employment is a *companionship* and without other party there is no other party. Also Boxall and Purcell (2015, 19) refers to the same thing:

employment agreement is exchange relationship and it includes constant interaction between parties. To choose *companionship* as a term to describe the relationship between employee and employer, is intentional. The same term is used in the client company's business strategy to describe the relationship between the company and its customers. The laws mentioned earlier must be followed as well as collective agreement but otherwise parties can mutually agree things quite freely as long as the agreed things are at least the minimum required by law and collective agreement.

Certain laws give employers the right to issue lawful and reasonable orders and for example issue working times, holidays and tasks. An appropriate level of management power is positive. It is needed so that management can coordinate the interests of the diverse stakeholders on whom the organization depends. However, control of the behavior of other human beings is always limited. Both parties must have trust and rely on the other party. That is why it is important to understand the power of partnership, relationship and co-operation. When parties work together, it is possible to achieve a work environment characterized by trust and mutual respect. (Boxall & Purcell 2015, 16, 19-20.)

As mentioned in theoretical framework, permanent employment agreements are said to be better choice than temporary ones. The client company has always had permanent employment agreements and there is no point of changing that early strategic choice. Only if there are mandatory needs for substitute personnel for example during sick-leave or parental leave, company can consider temporary agreements, but also in those situations the target would be in permanent agreement after substitute period.

4.3.1 Onboarding

When planning onboarding for new employee or trainee, it is important to notice that even millennials² wants to have personal contact and onboarding with their supervisor, although they are used to use technical devices and conference calls. Properly planned and organized onboarding engages the new employee to the company, increases job satisfaction and makes the new employee productive quicker. Millennials value not only the guidance of daily work tasks, but also

² Millennials i.e. Y-generation: people who are born between early 1980's and mid-1990's and became adults in early 2000's (Lepistö 2019, referred 6.8.2020).

knowledge of the company's strategy and the role of the new employee in the strategy. Also, millennials value the active presence of the supervisor and even monthly discussions about their personal goals. Even 60 percent of millennials hopes that they would have mentor or coach when they join a new team. (Alasuutari 2019, referred 6.8.2020.)

From the point of view of work well-being, onboarding is twofold: firstly, onboarding, of course, already supports general job satisfaction and work well-being when the tasks, organization and team members become familiar with it. Secondly, the onboarding also includes familiarization with work well-being issues, i.e. with occupational health care, with the strategic aspects of the choices made in the company, such as the rewarding policies and flexible working hours. A good way to handle onboarding better is a checklist and who is responsible for which area. (Aura & Ahonen 2016, 153.) In the company, the checklist was taken in use in the autumn of 2020 to help with the onboarding, when two new members joined the team at the same time. The proposal for this list had already come up in 2019 in the context of personnel interviews, when two new people joined the team at the same time earlier that year. The list is clearly useful from human resource perspective. In the company, the matter is also handled in a way that the new team member marks to the list when he/she considers that he/she has received sufficient information on the topic, i.e. the new employee makes the evaluation, not human resource manager or supervisor.

Based on own experiences, onboarding is one of the most important touch points. If onboarding fails it might cause the termination of employment during trial period, by either party. Employee might feel that he or she is left without proper guidance and that is why he or she is not able to perform as it is expected. On the other hand, employer might see it as lack of skills or competence. Either way, for employee failed onboarding and termination during trial period gives a bad image of the company. From company point of view, failed onboarding means loss of money and yet another employee.

4.4 Service

This is the part of the human resource strategy that presents the actual services and benefits to the personnel provided by the company. This section has the most and most important touch points that affect work well-being, so for the sake of clarity, each thing is presented under its own heading.

The company already has a Staff Guide, which was made already in 2018 as a first human resource management development action. Staff Guide can be found online and there are instructions about holidays, sick leaves, ergonomic etc. e.g. many of the things that are presented also here. After this human resource strategy is ready, it is reasonable to find out if Staff Guide is needed or is human resource strategy enough, especially if strategy is presented in easy, short and visual way.

4.4.1 Self-influence on work and interesting tasks

Effectiveness is often explained by experiences of one's own work: the opportunity to set goals for one's own work, awareness of one's own position in the organization, and the importance of one's own work. (Lumijärvi 2009, 99). The client company's personnel interviews (2020) also tell the same, self-influence for work is one of the keys to job satisfaction and it was considered one of the most important thing in work life. Studies show that when an employee has self-influence for work, it reduces stress and increases motivation to learn and develop. (Suonsivu 2014, 25.)

The company does not accept micromanagement and relies on the employees' expertise in the fact that after setting goals and deadlines, everyone can determine for themselves how and when to perform their own work. Of course, help is always available when needed, but employees are not constantly monitored and working methods are not prescribed once certain policies have been jointly agreed. The company's personnel interviews (2020) also give the information that interesting and enough challenging tasks are important factors for job satisfaction and work well-being, and the same time important touch point.

4.4.2 Salaries, benefits and rewards

As mentioned earlier in this thesis, permanent employment agreements, adequate salaries and benefits build loyal personnel, and each of these can be seen as touch point. It is also known that small companies cannot always compete with big companies or with public sector by offering high salaries, long-lasting steadiness or lot of opportunities for promotions. In Finland collective agreement gives a guideline for minimum salaries for each position (Kauhanen et al. 2015, 132-133), but of course the company intends to pay bigger salaries than that according to its financial situation. Under no circumstances should salary be determined by gender or any other such characteristic, but should be commensurate with the person's work experience, degree, skills and

the general salary level of the company. Annual, small salary raises are based on collective agreement (Kauhanen et al. 2015, 134), but bigger salary raises must be based on company's financial situation and employee's improved skills and/or increased responsibilities. The company wants to give bigger raises whenever it is possible. According to the company's personnel (2020) salary is not the most important factor when choosing a workplace or when deciding whether change a workplace or not. There are many other things that have more impact and those things are mostly presented in this Service section. The company has a normal monthly salary. Commission can be used for people who do sales work, but even then, the basic salary must be sufficient.

Thanks and encouragement can also be seen as one kind of reward. (Kauhanen et al. 2015, 134, 138.) There has been a culture of feedback in Finland, where feedback is given only on the performance of work, although productivity is not increased simply by treating the employee only as a result-maker. A good leader recognizes that the person is a whole and feedback can also be given more personally. It would be good for the employee to experience that the supervisor really wants to help develop. (Ziemann 2019, referred 18.4.2021.) Feedback can sometimes be, for example, how good someone maintains team spirit. Also, colleagues can give feedback to each other and employees to the supervisor, not just the supervisor to the employees.

A short while ago the company introduced an employee stock option program, in which each employee was granted a certain number of stock options in proportion to the number of years worked. In addition, employees have the option to exchange their salary or part of their salary for options. In addition, the company has planned a bonus program, where each employee gets certain amount of annual bonus based on company's profit. That can be implemented when company starts making profit. Basic idea of salaries, benefits and rewards is that the founders of the company want to reward personnel who have stayed by their side and worked hard all these years. Without talented personnel there probably would not be the company as it is now and if the company and founders succeed, the personnel is entitled to get their shares.

As a bonus, the company has voluntary free-time insurance for every employee, which also covers possible accidents when working remotely. In the near future it should be found out, what kind of benefits employees are preferring. The company could offer phone, internet, insurance or some other benefits later, when financial situation is more steady. Other benefits, such as lunch or cultural/exercise benefits are not in use in the company at the moment. Even if most of the

personnel is in Oulu, Finland, few people are working abroad, it would be hard to implement regular benefits equally. If someone invents a functioning system, it can be implemented.

Work well-being can also be an integral part of personnel rewards. Aura and Ahonen (2016, 156) cite examples of combining reward and work well-being, such as a weekend break at a sports college or, on a smaller scale, movie or theater tickets. Bigger rewards are still the future for the client company, but the company has strived to remember employees regularly, at least with Christmas presents and in the form of summer and Christmas parties. From time to time, company have also had a team lunch or a team dinner and have also been able to relax by hiking and mini golf. It depends, of course, on the person's opinion, whether such activities are rewarding or normal recreational activities. The company also has semi-wide occupational health care, but it is described in its own chapter.

4.4.3 Ergonomics and physical health

According to Finnish Institute of Occupational Health, many employees who use computer as their main tool for working, feel uncomfortable and exhaustion after workday. Some problems are temporary, but some might be permanent. Common problems are itchy and tired eyes as well as neck, shoulder and arm pain. Many of the problems can be avoided totally or at least ease them by improving ergonomics of the workstation and one's own habits. (Finnish Institute of Occupational Health, referred 3.6.2020.)

Actual accidents are rare in normal office work. However, constant sitting still, repeated moves of arms and head, wrong position of neck, arms or back, eyesight difficulties, lack of breaks, lightning, temperature, quality of air and position of furniture and machines can have major impact of employees' well-being and capability of work. Importance of workspace designing cannot be highlighted too much. Workspace and workstation must support both employees' well-being and fluency of the work. Finnish Institute of Occupational Health has very convenient instructions for creating functional workstation. The full list can be found from their website and it can be used as a guide for designing better workstations in the company. (Finnish Institute of Occupational Health, referred 3.6.2020.)

According to the company's Staff Guide – which was made already in 2018 based on the instructions of occupational health care – the company encourages its employees to have enough breaks during workday. Continuous sitting should not be more than 60 minutes at the time and even short breaks can be beneficial. At the office there are also few sticks which can be used by employees to exercise neck and shoulders. The company is encouraging employees to have at least some kind of exercise on their free time. Exercise also helps the brains (Sullström 2019, referred 5.6.2020).

Exercising also reduces sick leave and helps to cope longer in working life. The employer has the opportunity to offer employees sports and cultural benefits tax-free for 400 euros per person per year. (Aura & Ahonen 2016, 163.) The company does not (yet) have any support for exercise (such as Smartum bills) but is constantly looking for suitable support that would be equal and beneficial. The company's Staff Guide reminds about proper sleep and healthy diet, which are important parts of well-being in general. Company-wide joint exercise programs or competitions (Aura & Ahonen 2016, 163-164) may not be suitable for the company, as people's exercise habits are different and a joint exercise program might feel uncomfortable to some. It is better to encourage everyone to exercise even a little and according to their own preferences, for example by setting personal exercise goals in the context of performance discussions and rewarding them for achieving the goals.

The company moved to the new office in February 2020 and at the same time everyone got new electrical desks and proper office chairs, which both were highly desired. Unfortunately, pandemic hit the Finland on spring 2020, and also the client company's personnel changed for full-time remote work. Many of the employees do not have space for big office furniture so as the result people are working at the kitchen table and sofas. The company is organizing its first online lecture on ergonomics in near future in co-operation with Terveystalo. The personnel hoped that kind of lecture, so that everyone could get tips for better ergonomics and exercise for remote working.

Ergonomics is very important touch point, because lack of ergonomics and poor physical health can cause at first long sick-leaves and in bad case, lack of ability to work and necessity for a change of tasks or even workplace. The worst case would be total loss of work ability and early retirement, which would be loss both for society and for the company.

4.4.4 Cognitive ergonomics and mental health

According to Finnish Institute of Occupational Health (referred 3.6.2020), many employees feel stressed after workday because modern technology and programs cause constant information overload. Many people work middle of constant fuss and different kind or alarms of upcoming meetings, new emails and other reminders. When an important task is interrupted, the brain becomes stressed. Incomplete tasks accumulate and stress increases. It is harder to memorize things and suffocate. Even sleep can get worse. (Sullström 2019, referred 5.6.2020.) In previous chapter it was explained how physical health can be improved by proper ergonomics. In a same way it is possible to use cognitive ergonomics to decrease brain overload.

Cognitive ergonomics refers to human action and ability to function from a data processing perspective. With the help of cognitive ergonomics, it is possible to look at e.g. how the abilities and limitations of perception, attention, memory, and thinking can be taken into account in information intensive work, how visual information should be presented so that it can be perceived as reliably and effortlessly as possible, and how cognitive strain can be avoided. Cognitive ergonomics also aims for employee well-being while working efficiently, smoothly, safely, inspiring and motivating. (Finnish Institute of Occupational Health, referred 17.8.2020.)

If there is too much cognitive strain, errors and inaccuracies increase, activity slows and tangles, and essential information is lost. Demanding tasks put a strain on working memory and have limitations: working memory can handle 3-4 things at a time, and the ability to handle multiple things at a time decreases with age. Age-related changes can be compensated with the support of the employer, such as the right working time solutions. A busy pace of work can prevent data in working memory from having time to move to more permanent memory, but hurry and cognitive strain can be alleviated in a variety of ways. (Finnish Institute of Occupational Health, referred 17.8.2020.)

It is noticeable that human is able to work efficiently and intensively only four hours per day, so it is wise to respect those four hours (Kauppila 2019, referred 5.4.2021). Rest of the workday can be used for doing some other tasks that do not require high concentration or intensive thinking. When doing tasks that requires high concentration, it is recommendable to switch of the alarms of email and other information applications, because alarm interrupts the work and it can be very difficult to concentrate again. In teamwork it is wise to agree which application is used or is it even possible

to communicate in same application where the work is done. For example, if team is writing a report, could the communication happen in the document. (Sullström 2019, referred 5.6.2020.)

Open-concept offices are 21st century trend and they are justified by open organizational culture and dynamics. Finnish Institute of Occupational Health suggests 10-12 m² for one employee's office and 7-8 m² per person in open-concept office. According to the company's internal, informal discussions, total open-concept office is not suitable for the company. The company moved to a new office in early 2020 and premises were checked by the whole team before signing the contract and the team made a mutual decision that walls are not removed, on the contrary, there were new walls built. Based on discussion, the team thinks that not more than five people in one office room is reasonable. In the new office there is separate large kitchen and meeting room, which can be used also for internal meetings. The team has mutually agreed that loud voiced meetings are held in a way – or in a place – that other team members can still remain their peace of work. Experts also recommend that rules are agreed when working even semi-open-concept office (Sullström 2019, referred 5.6.2020.) Every employee has their own headset so they can be used, and everyone is allowed to work remotely if and whenever needed.

Unfinished tasks cause stress so planning the workday or workweek is wise. Listing the tasks and putting them in priority order helps evaluating the time needed for finishing the tasks. It is also wise to get to know about one's own workday rhythm: is the best time for most important task in the morning or in the afternoon. (Sullström 2019, referred 5.6.2020.) Own experience of the master student has shown also that it is wise to leave some kind of emptiness when planning the workweek. In constantly changing and small company there can be sudden and urgent customer cases, meetings or other things that need to be taking care immediately. When there is empty space for sudden matters, they do not mess the whole day or week. And doing tasks in advance whenever it is possible is always a good way to keep the calendar in balance and being on time even if there are sudden cases occasionally.

If the stress is prolonged, it can result in burnout, i.e. the person's resources are depleted. It can have serious consequences for work well-being and occupational safety, but also for a person's general health. Burnout can be caused by e.g. unclear work goals, constant urgency, lack of opportunities for development, constant interruptions, lack of feedback and appreciation, and lack of self-influence. In addition, there are social factors that can cause burnout. These include e.g. unequal or inappropriate behavior, conflicts between co-workers, inconsistent management and

poor flow of information. (Finnish Institute of Occupational Health, referred 6.10.2020.) One must remember that also interesting and meaningful work can cause burnout by the same reasons that are mentioned above. It is not always the work itself that causes burnout but all the things that are related to it. Like ergonomics and physical health, also cognitive ergonomics and mental health are important touch points and for the same reasons.

Enough breaks and proper sleep must not be forgotten. Brains need rest so proper lunch and coffee breaks are recommendable during workdays, as well as enough sleep. Stress causes lack of sleep and other way round. When aging the more important is to have certain sleeping rhythm that suits each one personally. Ideal situation is when employee can sleep and work based on one's own rhythm. (Sullström 2019, referred 5.6.2020.) That is why the company has flexible working hours. The company's Staff Guide recommends contacting occupational health care doctor if one has sleeping problems and the problems are constant. If sleeping problems are caused by work related stress and it does not decrease for example after difficult customer project, employee must talk to the supervisor or to person who is in charge of human resources. The personnel and their brains are company's only resource so personnel should stay healthy and sharp.

There are many ways to improve cognitive ergonomics and mental health. Many of the ways – such as flexible working hours – are linked to work well-being and job satisfaction and are part of holistic life management. The means are discussed in several sections in this thesis. For example, Laura Vallin's doctoral research shows that if the company's management is interested in the holistic well-being of its personnel, the employee himself or herself begins to think about what a good everyday life is like and make choices accordingly in his or her life. Such information can help companies towards more individualized management, for example by taking into account different life situations. (Koskinen 2020, referred 6.10.2020.)

It is important to take care of the so-called attraction of work. It means that the employee experiences vigor, dedication and immersion in their work on a regular basis. That doesn't mean work is always just nice, but a person who experiences the attraction of work goes to work enthusiastically and finds their work meaningful. The attraction of work means perseverance and a desire for effort even in times of adversity, experience of relevance and pride in one's own work. These experiences benefit everyone as they promote a person's health and good job performance, so they also have an impact on a company's financial success. The attraction of work is increased by e.g. opportunities to influence one's own work, rewards and opportunities for development,

support from the supervisor and the work community, clear practices and fairness, and practices that support the reconciliation of work and private life. (Finnish Institute of Occupational Health, referred 6.10.2020.) All this is extremely important in a sense of work well-being and its impact for company's profit.

From another perspective, it is important to note that a so-called professional locked-in can be a threat to health. Professional locked-in means that a person is stuck in an unsatisfactory job and for one reason or another is unable to move to a new job or another type of job. Dissatisfaction with work is a personal experience that may be related to any issues mentioned earlier. Sometimes job changes within own organization help, but not always. This, too, underscores the importance of taking care of working conditions and opportunities for development so that such locked-in does not occur. (Turunen 2020, referred 6.10.2020.)

4.4.5 Remote working and management

The client company has always had a possibility for remote work whenever employee wants to do so. In fact, at the early days of the company it was the only way of working since one of the founders lived in Finland, one in Taiwan and one in Japan. So, the question of remote working is not an issue in the company, it is normal way of working. However, there are some basic rules what comes especially the management of remote working. From the company's point of view, the key word is trust and same thing is mentioned by Foster (2020, referred 16.10.2020). Foster gives some easy tips how to build trust on a remote team. One point is transparency and although transparency, open and honest communication is always important, in remote working it should be highlighted. Based on company's own experience, personnel values transparent communication even in difficult situations.

When writing this human resource strategy, the whole world lives exceptional times. Early 2020 world faced with a threat that drove all of us to work remotely: COVID-19 (Ziemann 2020, referred 17.8.2020). For the company the change from partly remote work for full remote work was easy. Company already had certain ways of working and having for example team meetings, so no major changes were needed. As mentioned, trust is the key word of remote working. During spring 2021, after one year of remote working it was obvious that the world and working habits will not be the same as they use to be before pandemic. In the company there was a discussion about future

working habits, and it got clear that also after pandemic basically everyone is going to work remotely at least time to time.

The cornerstones of traditional teamwork also apply to remote teamwork: Google researched teamwork extensively a few years ago and found that a good team formula was very difficult to find. After a long research, it was found that norms, team culture, so-called unwritten rules were key issues in team operations. One of the key issues was that each team member is allowed to speak equally. The second point was the so-called social sensitivity, that is, the way members treat each other. In good teams, social sensitivity was found to be higher than average. The right kind of norms can elevate group intelligence. Other models were also observed in successful teams, such as having clear goals and members trusting each other, but the most important thing was psychological security, which essentially included team members sharing personal things about themselves and being allowed to be themselves. This creates a bond between people. Research by Google confirms what good leaders have always known: the best teams listen to each other and consider the feelings and needs of others. (Duhigg 2016, referred 16.10.2020). Foster (2020, referred to 16.10.2020) also emphasizes that it is worth getting to know your co-workers properly. As an example, he uses the various channels of his own workplace to share funny stories and as an enabler of informal social activity.

In recent years, Finnish supervisors have been instructed in a coaching management style, but with the COVID-19, the change in the workplace has been drastic. In the new situation, the importance of trust is emphasized when supervisors do not see employees other than on a computer screen. For many, it requires new kinds of skills to be caring and helpful without succumbing to micromanagement. Employees can also experience things differently: a weekly team meeting can be controlling for one, while it is nice for another to maintain a spirit of togetherness. The number of messages written in remote working increases when coworkers are rarely seen, so the number of misunderstandings can also increase. It is not possible to read facial expressions and tones from a written message. (Ziemann 2020, referred 17.8.2020.)

As mentioned, trust is paramount. Trust increases efficient working hours. Internal trust has been seen to increase team performance, innovation, and overall satisfaction, through which it indirectly affects performance. Trust involves a good internal communication system in the organization that helps employees identify with the organization as a whole. (Lumijärvi 2009, 97.) However, it is also good to remember the boundaries between working time and free time. Many people may tend to

stretch their working time even for free time and may not be able to refuse to do so. The management should remind that employees are not expected to be available around the clock and everyone is entitled to free time. In any case, the new normal is already here. From now on an increasing number of people will work remotely and the combination of remote work and office work will increase. (Ziemann 2020, referred 17.8.2020.) This applies also for the client company and in the future the company may settle for current office space even if number of employees increase. Team might feel that there is no need for personal workstations and office is more a space to gather for smaller teams and meet colleagues face-to-face occasionally. In remote working goal setting becomes even more important and companies should focus on output, not the time spent at computer (Foster 2020, referred 16.10.2020). Of course, it should be noted that Finland has the Act of Working hours which the company also follows, but within that framework, the result should be more important than working hours. In remote working, the skill of self-management is emphasized, and each employee must also be able to delimit working time and free time.

However, there are also companies and employees, who prefer working at the office and with presence of their supervisor. Some people think that the presence of a supervisor produces better ideas. When thinking about the big picture, the opinion is valid. In this precise example it is compared the company where employee can approach the supervisor physically whenever there is new idea and an information technology companies which might work totally without supervisors. (Holopainen 2019, referred 20.8.2020.) When putting those two examples opposite, many people might choose the first option. For example, according to the company's personnel interviews in June 2020, personnel wants that supervisor or leader is easy to approach, the kind of person to whom it is easy to tell ideas and give feedback. The question is more about, does the supervisor have to be physically present or available or is it enough if the supervisor is two clicks away via videocall or other communication system. Above all, remote management is about enabling co-operation and supporting self-management. In remote work, the planning and scheduling of one's own work is emphasized, both by supervisors and employees. The Finnish Institution of Occupational Safety and Health (referred 16.4.2021) also mentions trust as one of the most important priorities for remote management.

In Finland, the management style is still very traditional, bases are from 1930's and 1940's and the style can be very authoritative. Now it is going a transition period and there are several different management styles in parallel, such as a coaching style in which the supervisor guides but does not authorize. It is important to find a balance. At the same time, the supervisor must be able to be

present and helpful when needed, and easily approachable, and at the same time give employees their own space to do their work in their own way. If there are no supervisors at all, it can lead to a situation where no one takes responsibility and it is not known who is responsible for what. Therefore, supervisors are still needed, but the role of supervisors has changed significantly. (Holopainen 2019, referred 20.8.2020.)

Question of remote work and management can be extremely important based on person's own life situation and therefore important touch point. It might be thought that possibility for remote work is not a benefit anymore but more normal way of working. To optimize the functionality of remote work, the company will organize a lecture about the subject in the near future, in a co-operation with Terveystalo.

4.4.6 Communication

Effective communication is very important from the point of view of work well-being (Rauramo 2012, 117-118) and thus, again one important touch point which affects work well-being. For a long time now, there has been a change in the culture of communication in working life and it is clear that the pandemic and the transition to remote work, the change is bigger and faster than anyone expected. Traditional coffee table conversations and coffee room bulletin board announcements are history for many workplaces. It is therefore quite sensible for the human resources strategy to take a position on the company's communication principles. Objectives often mentioned in human resource strategies, such as developing leadership and promoting employee commitment, are most of all communicative issues (Keisala 2012, 47).

According to some theories, different values, norms, and roles in cultures can lead to communicative misunderstandings and, at worst, conflicts. Everyone interprets messages based on their own standards, and therefore the communication someone thinks is normal may seem rude to the other, or too intrusive or close. (Keisala 2012, 12.) It is important to note that everything that members of the work community do inside and outside the work community, is communication. How we gesture, dress, talk, listen, and in general be present with others is communication. That is why it is important in multicultural work community, to take each other's backgrounds into account. Finnish way to have factual communication that goes directly to the actual topic and the lack of small talk may seem rude to some (Keisala 2012, 15).

On the other hand, Keisala (2012, 12-13) also points out that communication between all people is intercultural communication, as there are no two people with exactly the same background, so maintaining cultural stereotypes – such as Finnish being non-speaking – does not contribute to successful communication. It is worthwhile to take communicative situations in the work community first and foremost as learning possibilities, as an opportunity to learn from other cultures and thus increase understanding of colleagues (Keisala 2012, 13). Instead of differences, it would be worthwhile to focus on similarities, and this could be aided, for example, by thematic team meetings, as suggested in the internal survey (The client company 2021).

Many good ideas emerged from the internal survey, such as that the current amount of communication is suitable amount. The challenge of today's working life is the constant flood of information and sometimes it can be difficult to separate relevant information from irrelevant information and have time to absorb the essential knowledge of one's own work. Therefore, at least internally, there should not be more pressure. (The client company 2021.) Communication as a whole is the responsibility of the members of the entire work community. Communication requires both the actual message and its authors, and the recipient and the one the recipient is receptive to. However, it is important that, especially in official matters, there are people in charge who share the information to the whole team.

A good rule is that "for every negative comment, five positives are required to get to the starting level in performance." Studies show that people's instincts for survival include the fact that negative things take three times as much attention as positive ones. Needless to say, in successful companies, the amount of positive feelings experienced by personnel is greater than the number of negative ones. (Kesti 2014, 133.)

Communication is essential part of workplace and its capability to function properly. Especially during remote work, company should consciously invest in communication. The best way to communicate is to express yourself clearly and positively, both orally and in writing. In remote work the risk is that the trust that has mutually achieved will weaken when there is no face-to-face meetings at all. If there are conflicts in the workplace, they can get worse if they are tried to resolve remotely. (Virtanen 2021, 11.) The causes of conflicts are often to be found in personal differences between individuals, and there should be a discussion in the workplace about what kind of personalities exist and how personalities differ, as understanding the differences calms conflicts

and provides better opportunities for communication in the future. (Ziemann 2019, referred 18.4.2021.)

It is also good to understand the communication differences between extrovert and introvert. Both should sometimes think about their own communication style. Extroverts should be aware that they often dominate conversations. The considerate extrovert also gives space to the introvert and remembers to ask the opinion of even a quiet coworker – and waits the introvert coworker to share his or her opinion. Similarly, an introvert can sometimes throw himself/herself into an area of discomfort, be encouraged, and be more active in conversations. It also makes it good for everyone to listen at times, as that too is a very important working life skill. (Ziemann 2019, referred 18.4.2021.)

4.4.7 Flexible working hours

The company has flexible working hours and time bank. Working time or place is not relevant, but of course in the agreed appointments must be present. It is usually agreed in advance with the other parties of the meeting how the meeting will be arranged. It must also be noted that there is a difference between flexible working hours and the fact that working hours can be decided by oneself. At its narrowest, flexible working hours can be interpreted as a slip of no more than a few hours in the mornings and afternoons, which is quite common in the public sector and in larger organizations. In the company working hours can generally be determined by oneself. However, the common practice is that most employees work during the day on weekdays, but some may work more in the evening or on the weekend. The company has a Toggl working time tracking system in which each employee records what they have done and when they have done and the system automatically calculates daily, weekly and monthly working hours and, if necessary, also for other periods.

According to 1st of January 2020 updated Act of Working Hours, each employee can collect up to 60 hours of extra balance in the time bank for use, for example, as working time flexibility or even longer leave. As a rule, overtime working is not a company policy, i.e. the hours accumulated in connection with urgent projects are stored in the time bank, and everyone can take time off immediately or later after the project. If desired, the hours can also be used to work a shorter working week at a certain time.

The introduction of a time bank is agreed locally at the workplace. It is necessary to agree in writing which working hours can be entered in the time bank, the maximum amount of hours in the time bank and the period during which the time bank hours must be used and, for example, the treatment of unused working time hours at the time of termination of employment. (Finnish Occupational Safety and Health Administration, referred 21.10.2020). The company does not currently have a written agreement on a time bank, only an oral agreement. However, the contract must be concluded in writing without delay in accordance with the guidelines for Finnish Occupational Safety and Health Administration.

Like remote work, also question of flexible working hours can be cornerstone for some, so it is important touch point and question of work well-being. It also depends on person's own perspective whether flexible working hours is a benefit at all, or strategic choice, or just normal way of working. For the client company it is all those things.

4.4.8 Different life situations and possible part-time work

The line between work and personal life has blurred in recent years. It has two sides: on the other hand, the blurring of the border makes it possible to work regardless of time and place, which is suitable for many young people. On the other hand, constant accessibility and flexible working hours may put a strain on some people, especially women. Women were already more worried than men about coping ten years ago, but the gender gap has widened over time. The workload can be concretely related to the work that young women do. They have more temporary agreements and irregular working hours. (Terävä 2020, referred 6.8.2020.) It is important that employer treats all genders equally and makes it possible for all workers to combine work and personal life. Employer cannot demand personnel to be constantly available and employer must understand that personnel do have personal life and maybe family.

It is important that workplace practices have been agreed on how work can also be excluded in free time. (Aura & Ahonen 2016, 155-156). Because the company employs people in different time zones and also has customers globally, there can sometimes be challenges in when everyone is available. However, it makes sense to think that joint meetings take place at daytime, when for those working in Finland it can mean morning and for those working in Asia it can mean afternoon. The daily working time should be kept at about eight hours. Entrepreneurs also have the right to

free time and holidays, and it is not appropriate for them to be disturbed in their free time, especially if there is no urgency.

Employer and the company in general can be family friendly in many ways. It is also important to know what family and family friendliness mean for employees. Flexibility, which has been mentioned already several times, is one of the most important factors how employer can be also family friendly. Flexible working hours, flexible ways of doing work, flexibility of places of working etc. are the easiest ways. In the end, in this case like any other, it is about strategic choice. Family-friendliness from an employer's perspective means less absences, longer careers, increased job satisfaction, efficiency and productivity, increased customer satisfaction, and a better corporate and employer image. (Väestöliitto, referred 15.10.2020.)

Finnish laws and collective agreements define certain basic issues, such as family leave, maternity and paternity leave pay, and maternity-related checks at the clinic. However, the employer always has the opportunity to offer better than the minimum level. Current laws and rules also allow for the combination of part-time work and family leave, but the opportunity is rarely used. Flexibility in working life increases the attractiveness of the workplace and supports job satisfaction and coping (Aura & Ahonen 2016, 155).

The company wants to promote the participation of its personnel in the lives of their families and in the changes that take place in it, such as the birth of a child. Therefore, the company's male personnel also has the opportunity to use working time for maternity-clinic visits and other birth-related checks, as do female employees according to collective agreement. In addition, the company encourages its employees to use different combinations of family leave and part-time work. From the company's point of view, the benefits are mutual and the company already has the know-how to make the relevant agreements. The legislation on family leave is changing in Finland, so the matter requires constant monitoring also from the employer's point of view.

However, employees with young children or employees who are becoming parents are not the only ones who need employer's family friendliness. Due to the age distribution, many people in Finland have the responsibility of caring for elderly parents or other relatives. (Väestöliitto, referred 15.10.2020.) It is important for the employer to point out that also in these situations it is possible to take advantage of flexible working hours, part-time work, various holiday arrangements or, if necessary, unpaid leave. In a difficult life situation, unpaid leave is neither the first nor the best

option, but sometimes it can be in place. However, the company seeks to ensure that flexible arrangements can be implemented in other ways.

It is also good to be aware of the possibility of part-time work in other life situations where, for some reason, full-time work is not suitable. The company has very good experiences of combining part-time work and study, as well as part-time work when recovering from a serious illness. The Finnish social security system enables part-time work in many different life situations, and the company wants to carry its social responsibility in that it does not discriminate against anyone due to different life situations, but rather offers suitable people employment opportunities in the company. It is important to note that all the actions and tools presented in this human resources strategy to increase work well-being and job satisfaction also benefit employees in different life situations. When an employer individually considers the different life situations of employees and offers solutions to them, it can be considered a significant touch point.

4.4.9 Occupational health care

Occupational health is organized together with Terveystalo. The cooperation has been strengthened for past three years and company recommends that non-urgent matters will be handled with company's own nurse and doctor so that they will get to know the company personnel and over the years can make recommendations just for the company. The company also has early support model and instructions for situations if someone has a problem with alcohol or drugs. Both guides are made based on instructions of Terveystalo.

Employees can use occupational health care for urgent matters such as flu and asking for sick leave or prescription. The company also offers so called semi-wide services, where company's own doctor can send the employee to a specialist, such as physiotherapist, occupational psychologist or dermatologist. Also small operations are possible. This can be considered reasonable touch point, since not all companies offer so many occupational health care services. With co-operation with Terveystalo, the company can also organize different kind of lectures or webinars as now have been planned.

The company has a rule that employee can stay on sick leave for three days with own announcement. The company trusts employees and is not demanding certificate about sick leave

immediately after three days, but for the benefit of the employee, it is wise to meet a doctor if still sick after three days – not because of the certificate but to know if there is need for longer sick leave or medicines. Sick leaves and contact details of nurse and doctors are instructed in the company's Staff Guide (2018).

Terveystalo also organizes surveys. Short and quick Pulse survey is implemented four times a year, in February, in May, in August and in November. Longer, formal occupational health care surveys are implemented according to schedule that Terveystalo agrees with the company. Now it has agreed that the survey is annual and based on that survey, there will be health check-ups for those who need it. (Ervasti, 3.-17.3.2021.)

4.4.10 Holidays

The company follows the Finnish Act of annual leave for holidays. However, the law leaves some room for interpretation, for example, on a Saturday as a holiday. Therefore, a policy has been made that if the holiday lasts less than a week, Saturday will not be counted as a holiday, even if the holiday lasts over the weekend. In addition, the company has the option of exchanging holiday bonus pay for leave and thus receiving up to 45 holiday days a year. The company also does not have a strict rule on when employee can have the holiday. Of course, the law is followed, but if, for example, an employee does not want to take his or her holiday during traditional holiday season, he or she has the opportunity to have it at other times as well.

It must be kept in mind that in the end the employer decides on the timing of the holidays after consulting the employees, and as the company grows, new policies may have to be taken with regard to the holidays. However, flexibility and employee autonomy in holiday choices aimed at maintaining, unless there is a reason to act otherwise. Even during the holidays, the company must be operating and, for example, the deadlines of customer projects must always be taken into account, but employees currently do so on their own initiative. The company has instructed its personnel in Staff Guide (2018) about holidays and about one month noticing time, which means that every employee must inform the dates of the holiday at least one month before the wanted holiday starting date. This is regularly reminded by Chief Operating Officer. Holidays itself cannot be seen as touch points in Finland because they are based in law. Also collective agreement has

strong position in holiday bonus pay system. However, touch points are in this case in the possibility to change holiday bonus pay to extra leave and flexibility of scheduling the holidays.

4.4.11 Events and parties

It is said that man does not live on bread alone. What else is needed then depends on the point of view. However, the company sees that the personnel sometimes needs and deserves a more relaxed togetherness with activities, good food and drink. The company organizes at least programmatic Christmas party and other events each year according to financial resources. These can be a summer party or a party related to employee achievements or a birthday party. In addition, a team lunch and team dinner can be enjoyed from time to time. Outdoor activities are also practiced, such as minigolf, hiking and other things that are invented together. Organizing events and parties is the responsibility of the Chief Operating Officer. This kind of informal activities occasionally can have good impact for work well-being so it must be thought also a good touch point.

4.5 Loyalty

Loyalty is the last part of customer journey map and it can be seen as a goal where the previous parts leads. The author of the thesis sees that loyalty is built both the previous steps in the customer journey but also from values, equality, organizational culture and work community as well as personnel development. Loyalty itself might not be the touch point but values, equality, organizational culture and personnel development most certainly are touch points.

Job satisfaction is a term used side by side with work well-being, sometimes even synonyms. There are many things that affect job satisfaction. One of them is levels of commitment that can be divided into affective, economic, and normative commitment. Affective commitment refers to a positive feeling that draws the employee to the organization through emotional ties. Financial commitment means an uplifting, financially calculated commitment from an individual cost-benefit perspective. It makes a person think about whether leaving an organization would be positive or negative in terms of its input/benefit ratio. Normative commitment is at issue if leaving an organization causes conflict with some important values and principles. Commitment has a positive correlation with job motivation, job satisfaction, and permanence. (Lumijärvi 2009, 96.)

Usually, commitment is seen as one way, i.e., personnel commitment to the company. However, a successful company is also committed for developing, rewarding and involving its personnel. A successful company listens to its personnel, plans, implements, and evaluates personnel development on a long-term basis, supporting the company's goals. The quality of work grows hand in hand with personnel motivation and mutual commitment. Human capital, which includes the mental and physical well-being of personnel, combined with motivation and commitment, gives a company a boost of creativity and innovation that cannot always be measured in money and that innovates and develops business even in unexpected ways. (Roth 2018. Referred 25.5.2020.)

Loyalty and commitment can be seen as synonyms in this case. One indicator to measure loyalty or commitment is the transition of personnel. In the company's history, none of the employees has resigned. There are few employees or trainees who's employment has ended during trial period. From human resource management point of view that kind of situation is desirable so it can be said that the company has succeeded to commit its personnel. However, it must be remembered that it is also acceptable and natural to change the job or the workplace once in a while. Long-term commitment is possible if the company is able to offer the possibilities to learn and develop, and even new tasks and promotions if employee wants that. The company is only less than ten years old and the employee who has worked the longest time in the company, has been working there for seven years.

4.5.1 Values

Strategies are based on the values. Some researchers consider values more important to an organization's success than material investments. The values are reflected above all in the organization's attitude towards its customers and its own personnel. (Lumijärvi 2009, 61.) When arriving to 2030's 70 percent of workforce are millennials. Many of the surveys done in past years tells the same story: millennials and younger are expecting different things from work life compared to older generations. Younger generation wants to have a work that meet their values and they want that work has some higher purpose. Millennials chooses their employer based on values and if they do not like the employer, they will change the workplace. (Alasuutari 2019, referred 6.8.2020.)

Younger generations are also more interested of entrepreneurship than older generations. It can also mean that entrepreneurial working habits increase when younger people seek for more freedom. Working takes new forms and traditional eight-to-four-work is no longer the only way of working. (Terävä 2020, referred 6.8.2020.) Importance of values is confirmed also by the company's personnel interviews, which was done in June 2020. One of the first steps when this human resource strategy is ready, is to jointly decide the company values. It is not relevant to decide values separately for human resource perspective, but the values should be chosen in a way that they describe the both the business and human resource sides. Values are something that the whole team will decide together and values will be important touch point, also in external communication.

4.5.2 Equality

Although the company does not yet need to draw up an equality plan, which is for companies with more than 30 employees, there are certain issues that need to be taken seriously. It has always been obvious to the company that gender, age, nationality, or such things do not matter. Personality, competence and the desire to learn are decisive, for example, in a recruitment situation.

Equality in the client company means that employees are treated equally in every way. No employee has more privileges or different rules than others, but the same rules and practices apply to everyone. This means, for example, following the rules on working hours and holidays, and ensuring that employees have the similar tools that are suitable for their work. That means one employee cannot get high-end tools when others have nothing or others get only basic-level tools. Equal treatment promotes work well-being because it improves motivation and strengthens competence and commitment. Equal treatment also improves the working atmosphere and reduces sick leave. (Aura & Ahonen 2016, 154.) Therefore, equality is also very important touch point.

4.5.3 Organization culture and work community

Organizational culture influences employee behavior and attitude. Organizational culture has a direct impact on job satisfaction. Job satisfaction, respectively, has been shown to have a direct impact on commitment, profit, productivity and absence. It affects employees' values, feelings,

actions, thinking and perceptions in the workplace. Although it is challenging to verify the connection and relevance of organizational culture to organizational performance, it has been recognized that organizational culture can be an adhesive that holds the entire community together. There are several definitions of organizational culture, but scholars agree that it refers to work community behaviors, beliefs, and values. As mentioned, organizational culture is difficult to measure, but some tools exist. One measurement tool is the “Competing Values Framework” (CVF), which is illustrated in the figure below. (Haffar et al. 2019, 1052-1053.)

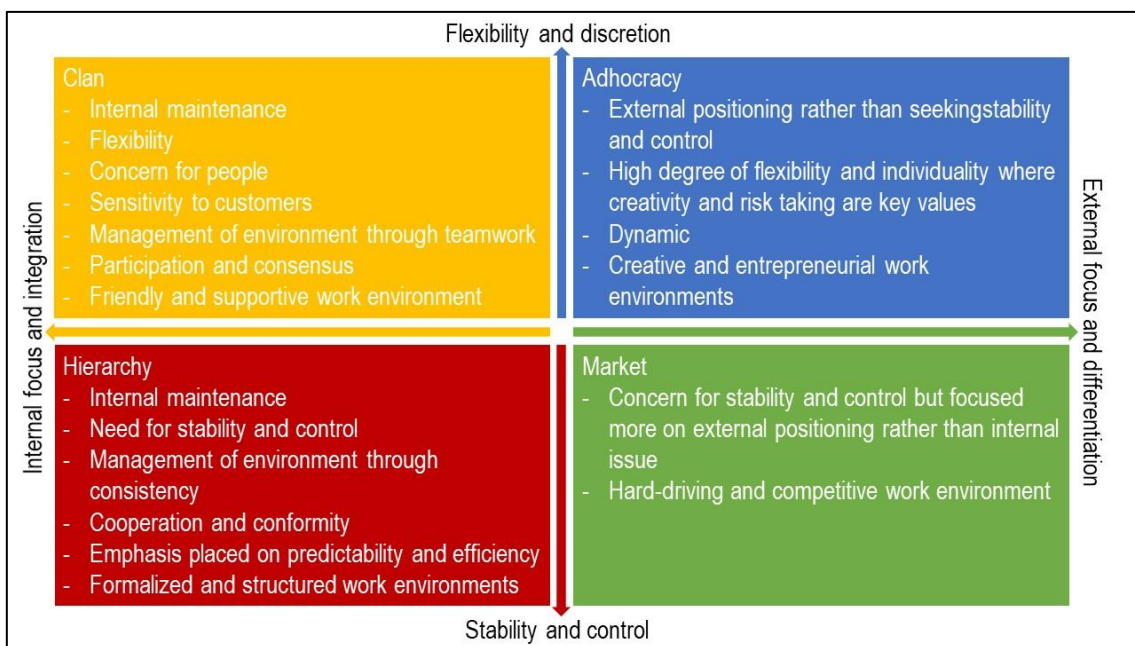


FIGURE 9: Competing Values Framework – CVF (Haffar et al. 2019, 1053).

The client company should aim for a clan or a combination of clan and adhocracy, because clan human resource management systems are seen as fostering shared values, teamwork and strong commitment which are relevant for companies who aim at quality and innovations and long-term loyalty (Boxall & Purcell 2015, 59). The company’s principles are flexibility, concern for people – humanity and teamwork. Flexibility is reflected, for example, in the fact that the company have not only flexible working hours and a working time bank, but also that the company, as an employer, strives to take into account each personal situation, for example in difficult family or health matters. This is also essentially related to humanity, and it is largely a matter of whether, in a crisis situation, employer wants to make an employee's life easier or more difficult. If, in a crisis situation, an employee can rely on the support of the employer and, for example, the employee can use the flexibility of working hours to clear things up, it promotes the employee's commitment to the

employer. Another option would be to be the first to require a medical certificate or even an employee to take unpaid leave, but they are not humane approaches.

Many studies highlight the important, caring role of the work community in achieving performance. The connection between management and performance is indirect, and one of these connections is the work community. The leader can rarely be solely responsible for implementation, so the work community has a significant role to play. Human resource management must also be made to support strategic management so that the role of the work community in performance is clear. The input of every employee is needed. The strength of the organizational culture is seen as an explanation for high performance. A strong culture gives the personnel a clear social functional support and creates a unity and encouraging atmosphere. (Lumijärvi 2009, 99, 103, 109, 111.)

Successful organizations are proactive, initiative and innovative. They plan their business and actions in long-term, but also make sure that they can survive in short-term. Attitude towards external environment is both adaptable and influential. Success is sought both through concrete indicators and – on a symbolic level – through the development of a strong organizational culture and good reputation. In management level there are both experienced and new forces, as well as stability and adaptability. Management is able to admit that targets can change although they are also seeking loyalty for current targets. Team allows different opinions and it is still able to have consensus. From outside point of view, successful organizations do not necessarily look like successful. They might seem as loose coalitions and that is how they are more creative. At the same time, they can be highly specialized and flexible and co-operative. (Lumijärvi 2009, 42-43.)

There is hardly a perfect work community, but it is worth striving for good enough. Signs of a good work community include, for example, a focus on work, peaceful environment, a forward-looking community, equal and fair leadership, a clear understanding of one's role in the community, access to help, regular evaluation, problems are faced and solved, the rules are common and fair and work well-being is taken care of. (Sarkkinen 2019, referred 27.3.2021.)

It has been shown that when an employee is happy, the entire organization is happy and it leads to improved performance, commitment, and increased productivity. The problem is that not all organizations understand the indisputable link between job satisfaction and productivity and only a few organizations manage to keep their employees happy. It has also been found that even if a company understands this relationship, ultimately only a few companies invest resources to ensure

job satisfaction. Studies have found that “clan culture” is one of the forms of organizational culture that prevails in those organizations that actively promote job satisfaction. (Haffar et al. 2019, 1054.) Organization culture might be even the most important touch point. Some might even think the organization culture as an umbrella for all that has been presented in this human resource strategy.

4.5.4 Personnel development

Most people do not know how to answer questions like “where do you see yourself in five or ten years”. Most people do not plan their future or career in formal ways, they rather just “go with the flow”. However, whatever people do, they learn from their experiences. It is extremely important that company’s human resource management can help and motivate personnel to plan their careers and set goals, because companies are dependent on people who have skills and knowledge to make the company successful. It is only the people – both managers and employees – who can create viable business. Human talents are crucial to company’s survival because companies cannot develop and deliver products unless it has reliable and skilled personnel. Human resource specialists are the ones who need to help, support and give tools to other managers in their job in developing personnel. (Boxall & Purcell 2015, 5, 7.)

Personnel goal orientation is seen as predicting high performance. Employees feel a strong commitment to goals that are important and achievable from their perspective. In particular, pre-set and jointly developed goals are important factors in increasing performance. (Lumijärvi 2009, 97.) The best way to improve personnel skills is to listen to personnel ideas and thoughts and implement selected actions together (Kesti 2014, 8).

There are many ways to evaluate and develop personnel competencies. The most typical are evaluation surveys and performance discussions. Competence can also be evaluated by colleagues, subordinates or customers. (Salojärvi 2013, 151.) It is important that every employee can develop themselves in a way that suits them best. A formal degree program may not be suitable for everyone and some want to study independently. As a result of these studies (in the course Development of Company's Strategy-Based Business Processes), a Balanced Scorecard has been drafted for the company, in which the section Learning and Development of the Organization was planned as following:

1. Self-development in a way that suits each employee.

- X% of working time can be spent on independent, work-related study that does not lead to a degree.
2. Education leading to a degree
- Completion of a missed degree or completion of a new, higher degree.
 - Studies related to one's own tasks or the company's operations or industry.
 - Possibility to use working time for studies.
 - Financial bonus or reward for completing a degree.

In order to introduce the first idea, it requires that at first it need to be found out how much personnel currently spend their own or working time on independent studies in order to create a common model and define some number of hours or percentages that can be spent on independent studies. Of course, learning also happens from colleagues to others, especially when a new employee learns from a more experienced one. Such situations could also be considered for the development of a special mentoring program once the number of personnel is higher.

As a support function for personnel development, there should be annual performance discussions. The company has not had regular performance discussions so the system need to be built from a scratch. With the help of performance discussions it is also possible to plan career paths. It is also possible to combine performance discussion with surveys, and with surveys it is also easy to measure job satisfaction.

4.5.5 End of the employment

The employment may end in different ways. An employee may resign, for example, due to a change of job or studies. It is good if there is mutual trust in the workplace, so that the employee can give notice of resignation earlier than required by law or the collective agreement. This would give the company more time to prepare to find a new employee. (Salojärvi 2013, 140.) The client company has no experience of such situations, as no employee has resigned during the company's history. It is something to be proud of, but eventually, when it happens for the first time, it can be a challenge. From a company perspective committed personnel is an extremely valuable thing.

The employment may also be terminated at the initiative of the employer, in which case it is usually for production or financial reasons, unless there is a termination of the employment during the trial

period. (Salojärvi 2013, 141). While none of this is a desirable situation, it's a good idea to plan things out for a bad day as well. In any case, it is important that the termination or layoff process is conducted in an open, honest and humane way. The law and collective agreement are, of course, followed, that is obvious. But in addition the company can support employees in humane ways.

The client company is not currently covered by the Act on Co-operation within Undertaking, so in the event of layoff or redundancies, co-operation negotiations do not need to be held, but as the amount of personnel grows, it is important to comply with the Act. And even if there are not yet 20 employees, the company can still arrange for employees to negotiate with each other in the event of layoffs or redundancies.

The purpose of the trial period is that both the employer and the employee have the opportunity to consider whether they want to commit to an employment contract. From the employee's point of view, what is important is that the tasks are in accordance with what has been agreed in the agreement. Similarly, from the employer's point of view, what is important is that the employee's skills match what he or she has said. From the point of view of both parties, it is certainly also important that the employee fits into the work community. (Minilex, referred 16.4.2021.)

Termination during the trial period can only be based on the purpose of the trial period, i.e. the employment can be terminated because the employee's skills are not at the level he or she stated before the employment agreement was concluded or the employee is not suitable for the work community. An employee may also terminate the employment on the grounds that the tasks are not in accordance with the agreement or that he or she finds the work community unsuitable for himself or herself. For economic reasons, it is not possible to terminate the employment during the trial period, nor is it based on the employee's characteristics or, for example, pregnancy. (Minilex, referred 16.4.2021.) It is clear that the company will comply with the law and the rules in this case as well, and even in the event of a trial period, the employee will be given the opportunity to be heard.

If it ever happens that someone retires from the client company, there will be huge party. All the current employees are under 50 years old, the oldest employee is 49 at the moment, so retiring is in distance. If someone retires from the company, it will mean two things: the company has survived for at least 20 years and the retiring employee probably worked in the company almost the same time period so it is worth celebrating. Early retirement for health reasons can of course happen in

anytime for anyone but that is not a desirable situation. In that case the goal must be retraining of the employee for the sake of the company and the society. An initial interview is conducted in all cases. It is a way to build an employer image, as an outgoing employee can be a customer, partner or re-job seeker in the future. (Salojärvi 2013, 140-141.)

5 CONCLUSION

The first thing to draw a conclusion from is how the thesis answers the research question or does it answer at all. The research question was “How human resource strategy can help the company achieve better results?” In this thesis it has shown by previous studies and literature that strategic human resource management is key to a company’s performance and *human resource strategy is the revelation of human resource management*. In addition, it has been shown that by investing in work well-being is worthwhile, as it has the potential to achieve better results. This thesis has opened up what work well-being can mean – and especially – what it means for the client company. Therefore, it can be said that the thesis answers the research question, and the essential point is that the human resource strategy outlines the essential policies and strategic choices that the company focuses on and trusts. The truth about whether human resource strategy affects the company’s performance or not, can be seen in the future, after 2-3 years. But according to studies, for sure human resource strategy will help the company to achieve better results.

At the beginning of the thesis, a figure was presented showing the company’s current human resource management territory. Of course, it is also good to present the target situation (figure 10), which is essentially related to the fact that the human resource strategy now exists and will hopefully be implemented. The aim is, of course, a profitable company, because – as mentioned earlier – only a profitable and successful company can employ and the possibility to employ must be in the interests of the employee, the company and society.

The figure also summarizes the importance of the whole thesis and the importance and use of the human resource strategy. The Strategic human resources management chapter highlighted that human resources strategy is the key to a company's success. At first it should be kept in mind that when using the word strategic it is meant to describe something extremely important. Boxall and Purcell (2015, 35) mentioned that it is something that is critical to the company’s survival. During the process I also read why strategies usually fail and one reason is that they are not actually strategies but more like list of goals. Luckily, Vermeulen (2017, referred 25.5.2020) pointed out in his article that a real strategy includes a clear set of choices that *define what the company is going to do* and what it is not going to do. After finding that out, it was much easier to modify the actual human resource strategy for the client company: it is all about strategic choices and decisions. It was also pointed out that human resource strategy is the most important thing that human resource

management can do. When going back to the figure of the current situation and then look at the target situation, it summarizes the meaning of the thesis perfectly.

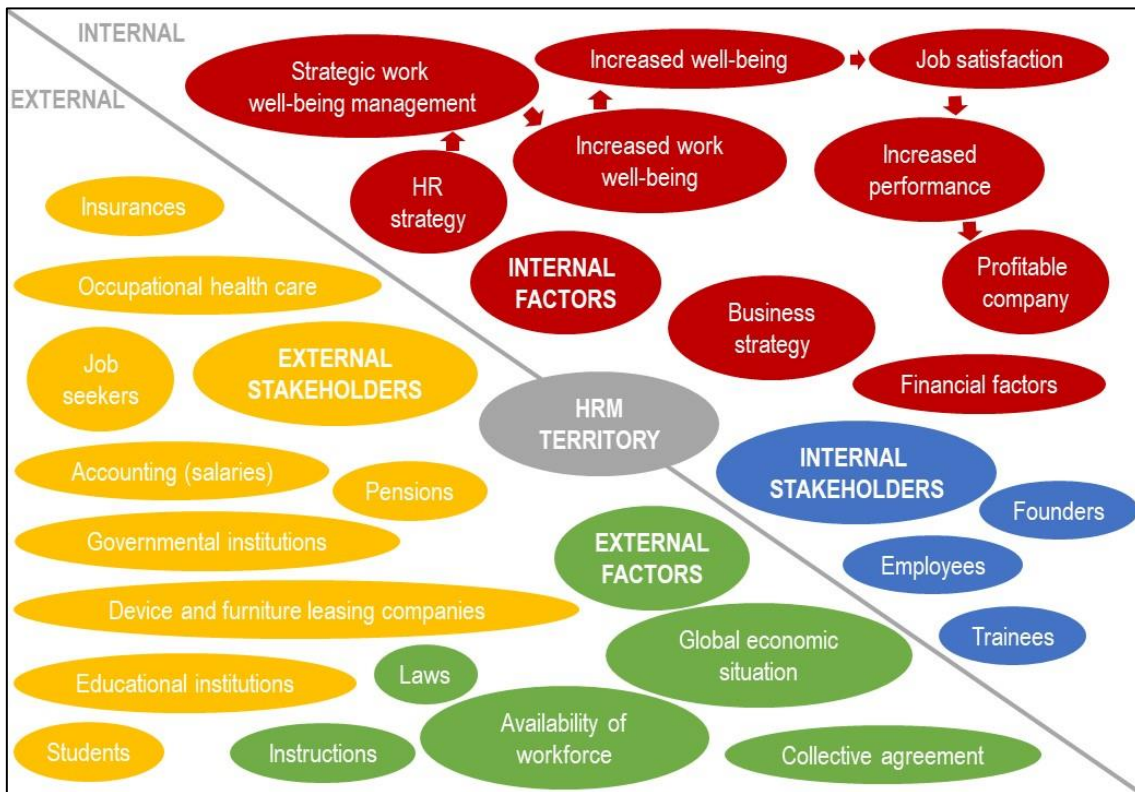


FIGURE 10: The company's human resource management territory, the target situation, modified from Beer et al. (Boxall & Purcell 2015, 59).

In the Strategic work well-being management chapter, I liked the most the theory that emphasized the compatibility of the company's performance with the well-being of the personnel. Of course, there are people who think that these two things are so far apart that they cannot be combined, but like Suutarinen et al. (2010, 45) pointed out, combining them is not only possible but also necessary. Work well-being should be thought of precisely in such a way that it benefits both the company and the employees - and further, the company's positive result also benefits both the company and the employees. The pursuit of profitability should not be frowned upon and should not be thought of as being done at the expense of personnel.

The actual human resource strategy was compiled based on research, personnel opinions and instructions. One of the instructions was just mentioned "a real strategy includes a clear set of choices that *define what the company is going to do* and what it is not going to do". I focused more on what the company was going to do, what strategic choices it relies on, and left less on the things

the company was not going to do. I also kept in mind the service design and the touch points, as they allowed me to modify the strategy into the whole, I had originally dreamed of. At this point, in the case of a thesis, the actual strategy is pretty simplistic and plain text, but one of the next steps is to make the human resource strategy visually appealing, but it will be a job for which the company has a certain person, a person who can do it better than I do.

When the company plans more closely about building an employer image – employer branding – in the near future, it should be remembered that even if a company can affect things, there is no guarantee of building a positive image. The employer image is mainly influenced by three things: image, identity and public image. The strongest impact is an identity based on the actual experiences of current employees. So, in the end, the easiest way to build and influence the employer image is to take care of the current personnel. Because the employer image is created partly unintentionally about the company, it is important that the strategy, customer experiences, personnel experiences and actions convey the same message. (Salojärvi 2013, 125-126.) Building an employer image is becoming increasingly important because, as discussed earlier in this thesis, when generation Y – millennials – and younger, rushes into the labor market and their values are different from those of older generations.

The future of human resource management has changed permanently: the fact must be accepted that the era of remote working, which began in 2020, will not end, even if the pandemic is over some day. For the client company, this does not matter in itself, as remote working has always been possible, but in the past, it has not been applied as extensively as it is now. However, from a human resource management perspective, one of the most important issues is how to maintain team spirit during remote working. In addition, in recruitments and in creating the organization culture the growing importance of remote work and flexibility, the importance of self-management skills, as well as the desire to influence one's own work must take into account. Digitalization has an impact on many levels, for example, so that company information is completely digitalized and post-it tags on the walls of a coffee room are no longer seen. (Ylipahkala 2021, referred 25.3.2021.)

When thinking about development and monitoring methods, it is good to be aware that the company does not have to do everything on the basis of current information alone. There are several guides that have been used as a reference in this thesis as well, and those can be used for memory refreshment when planning the methods. The monitoring tools commonly used in human resource management should be introduced in the client company as well, and some are already in use.

Occupational health care conducts two types of surveys several times a year. There have been internal surveys and interviews in the company in recent years, but they have all had different content so far and have been intended to clarify issues mostly related to this thesis. Now is the time to move to an annual personnel survey and performance discussions with the same content each time. The questions in both the survey and the development discussion are good to stay largely the same so that a comparison can be made, but they could have, for example, some annual theme around which a couple of questions that change every year are built. Naturally, informal, spontaneous discussions are also part of the methods of development and monitoring, because thanks to the open culture, one dares to give criticism immediately, so that development activities can also be taken immediately.

After the completion of the human resource strategy, it is equally important to make the more detailed instructions mentioned in the strategy, if they do not already exist. That is one way to improve the commitment of the personnel and to have strategy as an everyday guide. One of these instructions is the working time banking agreement. A workshop to decide on the company's values should also be organized as soon as possible. In addition, when there are ten employees, the company must choose an occupational safety and health representative and further a health and safety committee when there are 20 employees. The equality plan becomes relevant when there are 30 employees.

6 DISCUSSION

The objective of the thesis was to create a human resource strategy that would be practical and useful in everyday situations. The aim was that the strategy would not just be a bunch of papers in an office drawer but a proper tool. I think that kind of strategy has been created, but of course in these kind of development tasks, only time will show the final result. When I gathered the material, I had three supporting questions:

- 1) what are the things that has impact to work well-being,
- 2) how much affluent personnel can have impact to company's profit and
- 3) with what ways companies can improve the work well-being?

The questions were helpful when searching earlier studies, literature and articles. Also, when I went through the personnel interviews and surveys, I reviewed the answers those questions in mind, especially the first and third question. With earlier studies and literature there was a challenge that the amount of literature is huge. For example, there were several books by different authors on the same subject, and with almost the same content and cross-references to each other's works. Of course, it was clear that not all books with the same content needed or made sense to use, but sometimes it was difficult to know which of the books would be the best.

The thesis was a development task that used constructive research and service design as its approaches. Both are characterized by working together and a companionship between a company and employees, and they is highlighted in several sections. Basic knowledge is, that when creating the strategy, it is very important for everyone to get involved because then the commitment will be stronger. The thesis also refers to service design as one of the research methods, and one of the cornerstones of service design is working together and participation. In addition, development tasks are often social processes, in which developers participate in the task. The commitment of operators and developers to the development process affects the reliability of the materials, method and outputs. From the point of view of reliability, it is essential to know at which stages of the process the operators have not been actively involved in the development. Non-commitment undermines the reliability of development materials, methods and results. The potential for error increases if operators are not involved in all stages of the development process. (Toikko & Rantanen 2009, 124.)

In thesis process – although it is development task – it was not possible that everyone would participate in every single phase of the process. The personnel of the client company was participating of course in the interviews, surveys, informal everyday discussions and workshop as well. Also, employees has been regularly presented the progress of the thesis and meanings of different chapters and sections in the thesis. One of the principles of service design is to get to know and understand the customer needs and those can be found out for example by interviews, surveys, observation, workshops etc. and that is exactly what has been done during the thesis process. One might think that there could always be more participation, but one most also know, how much participation is suitable for each team. Knowing and understanding the customer needs means also that the researcher knows how much can be asked from others and in what matters the colleagues trust that I am doing what I promised to do based on the information the colleagues have shared with me.

Ethics in development task can be seen in the same way as people-to-people interactions in general: goals must be of high morality, work must be done honestly, carefully and accurately, and the results must be useful. Development task is about human activity. The people being developed need to know what the developer is doing and what the object and goals of the activity are. In surveys, anonymity must be guaranteed in order to obtain honest answers. Development task commits to the client's practices, but if the facts conflict with the client's or participants' ideas, they must be taken as challenges. The results cannot be distorted. (Ojasalo et al. 2015, 48-49.) There were no contradictions in this development work, the thoughts and opinions of the company's personnel about a good working life were very similar to previous studies. In interviews and deep interviews, anonymity was not possible, obviously, but in the client company has open and honest communication, so critical views are brought out, if and when there are some. Online surveys were anonymous.

At this phase, when the human resource strategy is now done – at least for a while – it is reasonable to discuss, how long the opinion of the current personnel is valid. The truth is, it is no longer valid. When the thesis process began the total number of personnel was ten, of which seven were employees and now the total amount is 14. However, the limit has had to be put somewhere, so people recruited latest have not been included in the surveys. Monitoring must be carried out regularly and the human resource strategy must be updated as soon as it is completed, if necessary.

In this thesis, the role of the company as a service provider has been emphasized and the importance of management as a service has also been highlighted. Ziemann refers to the same in his article (2019, referred 18.4.2021). For example, in performance discussions or even informal discussions, the supervisor may ask employees how he/she could better serve them. What a supervisor could do to get employees to really shine and what really motivates employees? The supervisor should see the matter in such a way that when the employee has grown and developed in his or her skills and professionalism over the supervisor, the supervisor has succeeded in his or her job.

Reliability is a key feature of scientific knowledge. The question of reliability concerns research methods, the research process and research results. The concept of persuasiveness is often used in qualitative research. In development task, reliability means, above all, usability. It is not enough that the information generated in the context of development activities is truthful, it must be useful. Reliability is related to the functionality of indicators and research settings. For example, if in a survey, the same attitude is measured using several different statements, reliability is related to the fact that the responses to the different statements are parallel to each other, i.e. correlated with each other. A key part of reliability is reproducibility. Scientific results are often required to be testable in the sense that another researcher can replicate the research and obtain similar research results. (Toikko & Rantanen 2009, 121-122.)

There are complex problems with reliability in development tasks. For example, the requirement for reproducibility of social processes is a problematic issue. Achieving a similar group process with a new group is never self-evident, even if the group's external circumstances and group assignment remain the same. The group process is influenced not only by the many individual factors of the group members, but also by various cultural and community factors. In the context of qualitative research, the questions of reliability and validity have been sought to be replaced by the concept of persuasiveness. The researcher must convince the scientific community by making research choices and interpretations visible. The researcher must present his or her material and the argument based on it as openly as possible, so that the researcher can assure the scientific community of the validity of his or her research. (Toikko & Rantanen 2009, 123.)

As said above, whenever measuring things that people may experience in their own ways, it is difficult to evaluate reliability. However, numerous studies clearly show the consistency of the importance of work well-being, not only with job satisfaction but also with the financial performance

of the company. Therefore, such things could already be considered reliable, and it can be agreed that work well-being is important and that it has an impact to company's profit. In this case, when development task considers only one small workplace, interviews, surveys and workshop results cannot necessarily be seen very reliable or generalized. On the other hand, with interviews, surveys and workshop it was possible to compare if the personnel in the client company thinks the same what was written in earlier studies.

Development tasks can emphasize a pragmatic notion of truth, with its tip focused on the question of the usability of knowledge. What matters is not so much the relationship of knowledge to reality, nor its internal consistency, but the value of the use of knowledge: *knowledge is true if it is usable*. This idea can also be formulated into a sentence: *practice is the only criterion of truth*. In terms of development results, usability means, above all, the usability of the results created as a result of the development process. The unique nature of each work organization and development process can also be emphasized. What is developed elsewhere is difficult to plant in a different operating environment. In this sense, the results and outputs of development tasks are context specific. (Toikko & Rantanen 2009, 125-126.) When it comes to usability, repeatability and portability, the aim was to make the thesis useful. In these kind of development task, usability and consistency are more important than reliability.

Overall, the process was fairly straightforward, although there were challenges in terms of delimiting and research question at the beginning of the process. However, I initially had a hypothesis about the impact of work well-being on company performance and profit and I tried to keep that idea in mind throughout the process. Once I was able to clarify the structure and division of the thesis into three main areas – strategic human resource management, strategic work well-being management and the actual human resource strategy – then it was easier to work on. The straightforwardness was emphasized by the fact that the initial hypothesis was, of course, true, as the very common knowledge is. It still made sense to confirm the original hypothesis with research and literature, as it also provides a basis for the company's management on the things that are worth investing in based on the research data. So that it is clear to the management of the company and, for example, to the investors, that the human resource strategy is not built on my personal opinions but on the researched information.

It is possible to make the strategy a practical tool and at the same time keep personnel committed by making the human resource strategy visually appealing and easy to read, by actively involving

personnel in the annual update in the form of surveys and discussions, and by presenting the original human resource strategy but also presenting the updates openly. Every few years, there is a need for a more deep review of the human resource strategy, with whole personnel involved in evaluating modernity, including from the perspective of current trends.

As a final statement it must be said that this thesis strengthened my thoughts about the career path. People and their well-being is my passion as well as the economic perspective. It is wise if there is the same person handling both human resources and finances, because that is how it is possible to see people behind the numbers. It is possible that financial manager could see the personnel costs only costs but the person who is also dealing with people, can see the personnel costs as investments. This question was also referred by Kauhanen et al. in Strategic human resource management chapter, where it was told that many of human resource managers are forced to explain things by using indicators, numbers and money.

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ATTACHMENTS

List of attachments:

1. History of human resource management in Finland
2. The client company communication survey summary
3. The client company personnel interviews June-August 2020 questions
4. The client company personnel interviews June 2021 questions
5. The client company personnel survey autumn 2020

Quoting business management guru, Professor Henry Mintzberg, it is fair to say that strategic thinking requires knowledge of how things has been before and an understanding of how things are now. The future is built on the path traveled so far. For those who are preparing themselves for the human resource management profession, the perception of the development of the human resources function can be a cornerstone on which one's own professional development and fascinating career can be built. (Kauhanen et al. 2015, 59.)

Ever since organizations like today began to become commonplace as people's jobs, they have been associated with some form of human resource management. At its simplest, it has been the employee's obligation to perform the task assigned to him and the employer's obligation to pay a salary in return. In order to maintain this reciprocal "exchange", it has been necessary to establish practices related to the selection of the employee, the determination of the relevant amount of work performed, and the determination of the level and method of compensation to be paid for it. (Kauhanen et al. 2015, 17-18.)

Already since 1800's the work related to employees' well-being has been done, but only after the wars specialized functions became more common. From the 1940's until the 1960's, personnel were seen as factors with social affairs had to be taken care of and affairs were handled by former military officers. Already during those times both Taylor and Hawthorne theories were used side by side in Finland. Social affair managers were widely responsible of improving employees' economic status, health care and childcare and also physical and cultural education. For employers, these kinds of functions were voluntary. There were two targets for these functions: one target was that personnel would stay in good condition, healthy and energetic. The second target was that personnel being healthy and energetic, personnel would also be productive. Human resource management was focusing highly on company's economic interests. (Kauhanen et al. 2015, 11, 18, 89, 172.)

1960-1970

In the 1960's and 1970's many of the working life legislation were made and they still have an effect. At the same decades, separate human resource departments started to appear into Finnish organizations, but only into big ones such as national railway organization. When legislation changed, companies grew and importance of unions raised, more need for human resource departments were seen. Already in 1960's was founded that personnel should be led consciously and appreciatively, although human resource management was not yet identified as organizational function or that there would be human resource professionals supporting other managers. For long time human resource affairs were seen as part of the CEO's or CFO's work. (Kauhanen et al. 2015, 42-43, 61.)

Further into the 1970's, the current contents of human resource management were also identified: performance management, organizational planning and human resource planning, which was executed for example by studying the personnel needs, making a recruitment plan and education program. Even back then, the importance of employee and his motivation in the success of a company was recognized. Back then human resource planning, recruitment, employment issues, salary, orientation, development and sharing information were listed as functions of human resource department. It is valid list even nowadays. The most important requirements for human resource managers were familiarity with labor legislation, labor market contracting and the negotiation system. The human resource manager was typically a person with a university degree or an experienced administrative specialist. In industry also engineers were handling human resource affairs. Specific education or degree was not available for human resource profession. (Kauhanen et al. 2015, 18-19, 21, 45, 62.)

At the end of 70's co-operation between employer and personnel supposed to strengthen when Act on Co-operation within Undertaking (in Finnish YT-laki) became valid. The aim was to create a negotiation process and improve information between employer and personnel, especially with matters that affect the personnel. Idea of the Act was to give certain information to the personnel and inform them before final decisions. (Kauhanen et al. 2015, 23, 105, 199.) However, even now

it cannot be seen as real co-operation, and often it seems that the Act is used only in negative circumstances – such as lay-offs – although it was not meant to use only that way. Co-operation should be real participation and interaction – partnership.

At that time also term human resources appeared in Finnish literature. It was explained as humane resources and assumption was that work is not completely disgusting to a person and that people do want to contribute to the achievement of meaningful goals that they have been involved in setting themselves. Human resource management should be built on factual knowledge rather than mere insight or best practice. The contents of personnel policies are therefore always organization-specific, as the situations of organizations differ. It is noteworthy that the term human resources strategy was first mentioned at that time, although the concepts of strategic management had not yet become widespread. Another significant issue is the use of the title of HR Manager and a description of the fact that the HR Manager works under the CEO alongside other managers. Internationally, the view only became widespread in the 1980s. (Kauhanen et al. 2015, 22-25.)

1980-1990

By the 1980s, the role of personnel began to be increasingly described as contributors and result makers. This again required an even more diverse, business-oriented human resource development. Same time human resource management started to be seen as strategic competitive advantage, although it was still rather mechanical. At the same time human resource managers recognized the value and importance of personnel, but also thought personnel as a cost and that is why it was important to pay attention how to improve the profitability of the personnel. Ways to improve the profitability was mostly focusing on target setting, efficiency and performance management, and one tool was human resource accounting. However, even that time some experts thought that result making is more than just indicators or profit. They thought that at the same time it is possible to achieve both an excellent result for the company and the work community and one's own significance as a result-maker and in one's own life. (Kauhanen et al. 2015, 11, 26-28, 172-173.)

At the 80's personnel surveys also appeared. The wisest companies used them regularly for developing their management models. Human resource managers used surveys to get company managers to understand the importance of good leadership and how it affects to people well-being and company's profit. (Kauhanen et al. 2015, 121.)

In the 1990's world changed. Cold war ended, Soviet Union collapsed, and globalization started. That also meant employees – and employers – needed to change. Finnish companies faced the challenges of global markets and competition and new technologies speeded up all the changes and development. It was not enough that companies had good products, but they also had to have ability to renew and develop faster and more innovative ways than competitors. Employers realized that developing, educating and rewarding their employees were key to success. At the end of the decade, organized performance management became number one challenge in many workplaces. (Kauhanen et al. 2015, 29-32, 82.)

The 1990's strongly highlighted the role of personnel as experts, professionals and diverse influencers. Human resource management strengthened and maintained personnel's core competencies and capabilities. Alongside with collective agreements became strategies, customer experience, quality management, personnel development based on strategy and maintaining personnel motivation and work well-being. If 1970's human resource management was mostly administrative work, in the 1990's skills of strategic thinking became more important. During early 90's recession, human resource departments had to justify their existence, size of the departments decreased, and work became more strategic and sharper. (Kauhanen et al. 2015, 11, 51, 53.)

2000-2010

As entering the 21st century, personnel emerged as an increasingly diverse, networked entity that is a key resource for the organization. Human resource management focused on empowerment, interactivity, teamwork and self-management, as well as development of potentials and competencies. New role of human resource manager was to work as a member of management

team and main task was strategic human resource management or more specific – connecting the human resource strategy with company's business strategy. (Kauhanen et al. 2015, 11, 55.)

Early 2000's was constant battle between personnel appreciation and personnel costs. Personnel was considered to be the most important success factor for organizations, but at the same time there was a constant desire to minimize personnel costs. On the one hand, the commitment of good employees to the organization was considered important and was promoted through rewarding and other engaging practices, and at the same time, employees were expected to be as flexible as possible. (Kauhanen et al. 2015, 35.)

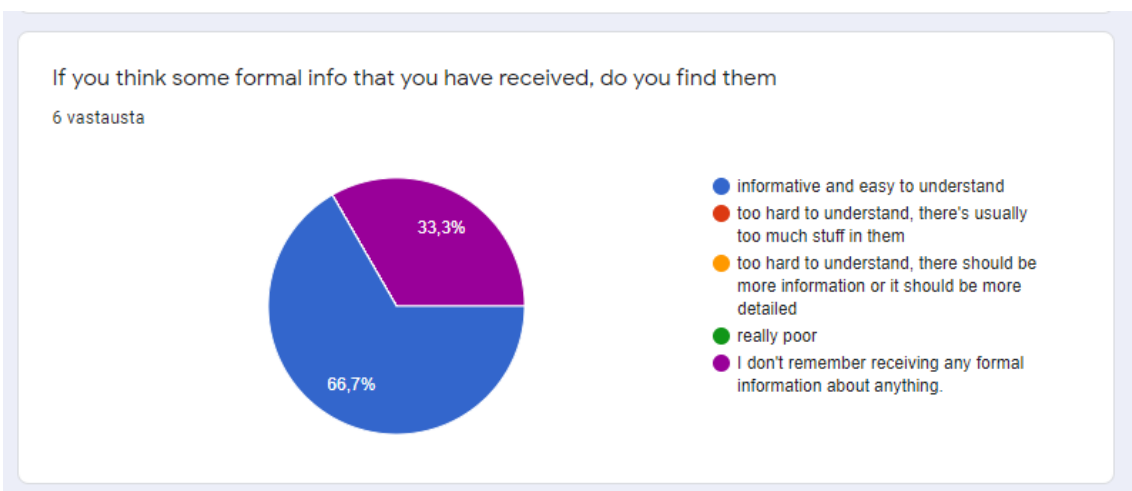
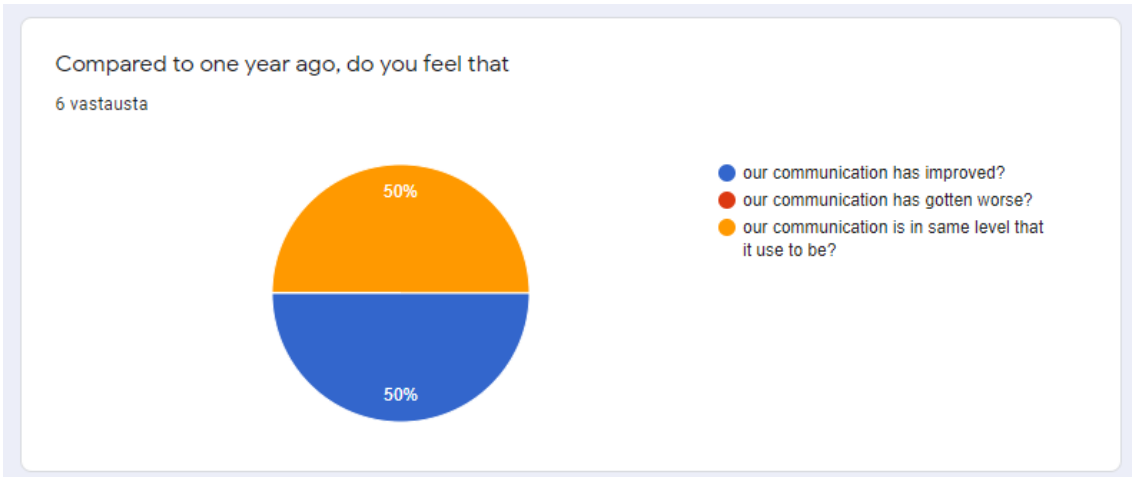
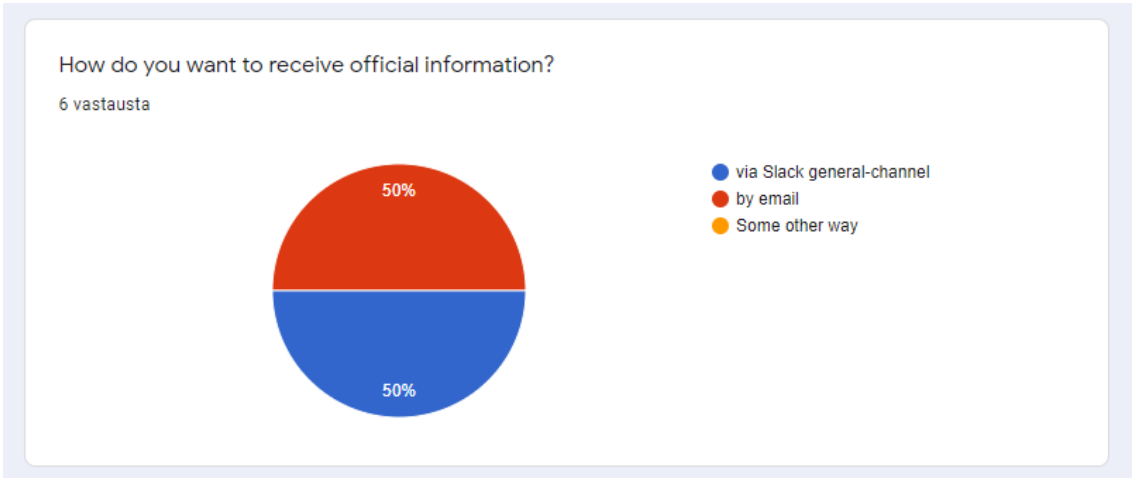
It is significant that work well-being and job satisfaction raised to the discussions only in early 2000's. The age structure started to seem skewed both in society and in companies. The "grant age class" as we Finns call the group who were born after Second World War, started to retire. Work started to change more demanding and constant battle of decreasing jobs. Young people reacted with sick-leaves and burnouts, so it became extremely important to pay attention how people are coping at work. At the background there was growing awareness about the costs of welfare problems for the companies but also for the society and economy. (Kauhanen et al. 2015, 33.)

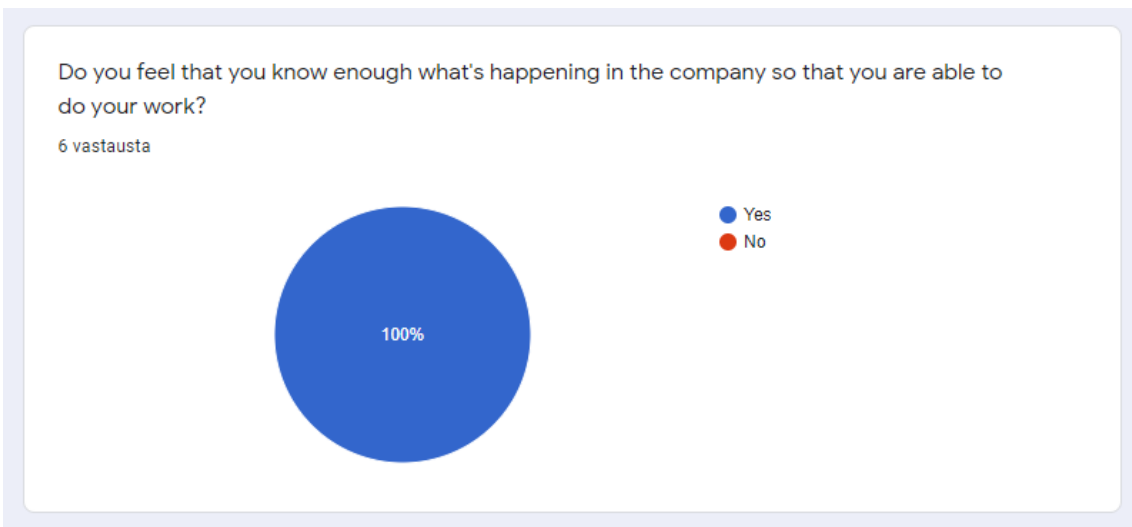
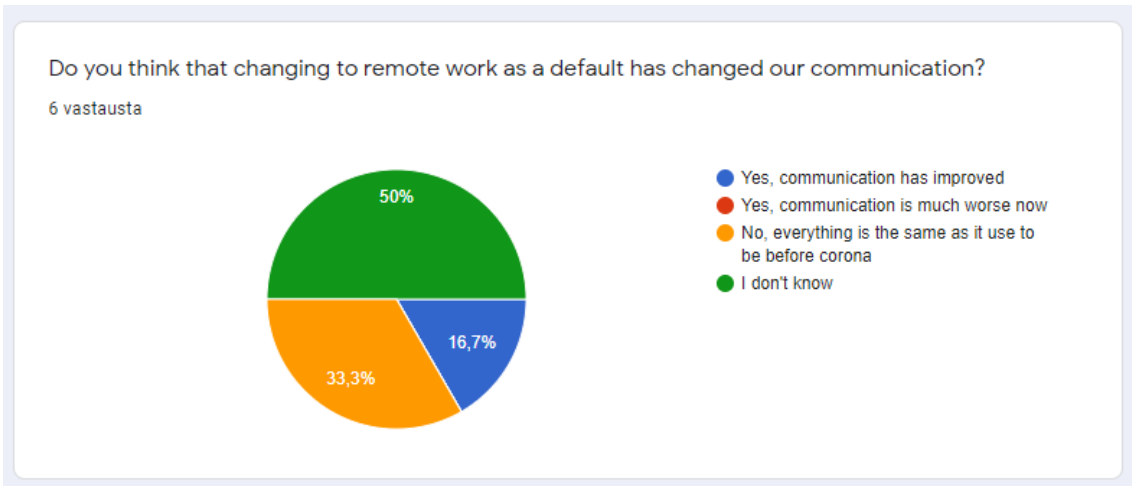
Although in general co-operation, productivity and personnel education were highlighted, for some reason, in human resource trends Finland has started to be against other western countries. This was discovered in 2015 in Global Human Capital survey. Finnish human resource managers value technical optimization, such as human resource systems, simplification of work and personnel analysis. In other countries focus is in leadership, personnel engaging, work culture and personnel education. (Kauhanen et al. 2015, 101-102, 108.) One might say that Finnish way is not very humane way. Seems that Finland is stuck in administrative human resource when rest of the western world is heading to 2020's and focusing on personnel well-being. One might think that the reason is in our labor market politics (Kauhanen et al. 2015, 102). And maybe administrative attitude can be one reason for poor leadership that is still happening in many of Finnish companies.

In general, the 21st century trends in human resource management are coaching and mentoring as well as both personal and organizational development. Challenge is globalization, world that is open for all and especially for young people, who are not afraid to travel or move abroad. (Kauhanen et al. 2015, 114, 118.)

2020 and beyond

The management style and culture prevailing in the organizations are always reflecting the current values, atmosphere, economic conditions and the general state of the operational environment. Management responds on the one hand to the challenges by the external environment, and on the other hand to the situation inside the organization. That is way every decade has its own leadership models as long as someone invents the new one again. Today's keyword is coaching, although it can be seen to have already begun in 1995, when Finland won its first world championship in ice hockey. The era of coaching and coaches began in personnel development. (Kauhanen et al. 2015, 124, 126, 128.)





What is the worst thing in [REDACTED] internal communication?

5 vastausta

Slack doesn't save so you cannot find old messages.
Sometimes we don't have time to put the things we verbally agree on the paper/documents/todo and people forget.

Some part of communication coming in verbal, no written in slack or email.

Not being able to be in Oulu and do face-to-face meetings and brainstormings

As an outgoing personality I'd like the communication to be more F2F but giving the circumstances, I doubt it's possible.

still fragmented,
dont' always get the info needed, because don't know what to ask.

What is the best thing in [REDACTED] internal communication?

5 vastausta

The new strategy has improved some development processes.
Some channels have been more active.

Quality and amount of communication is good.

Eeva. Seriously. We need more Eeva :-)

The possibility of sharing humor in Slack. Don't ever get rid of that.

the team and that you can talk about anything

Should we do something differently in our internal communication? Please, share your ideas!

5 vastausta

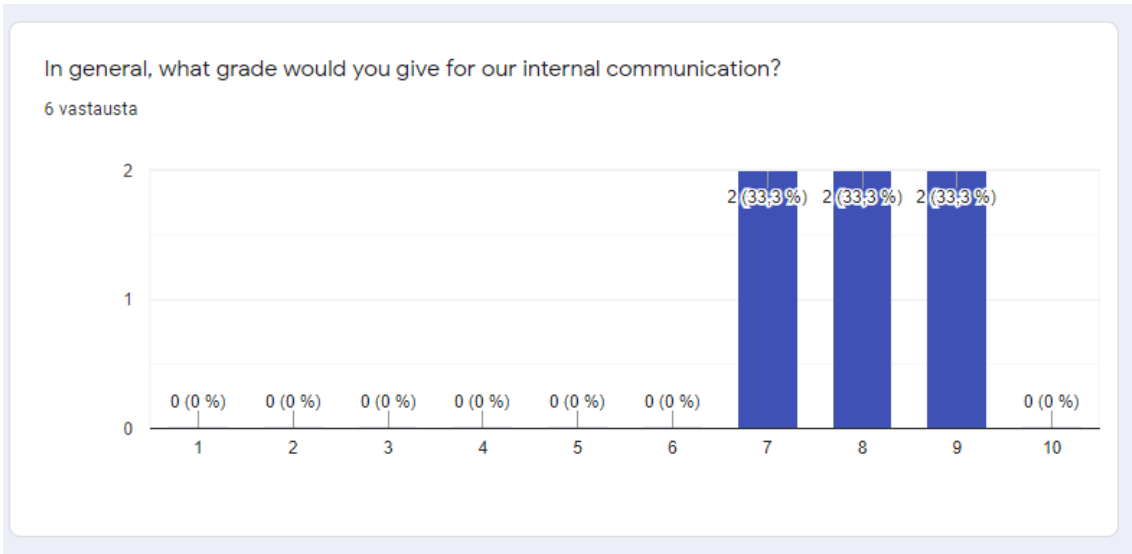
Some people to be more active in communicating what they do and what they need.

Keep communication as it is. At least no more communications. Keep communication also in written format, so info can be read also later.

Maybe a weekly or monthly news email? Not sure if that would be interesting. The team meetings are very informal, so maybe a company-wide formal newsletter would be good. But it could also be too much noise/spam...

Maybe the team meetings could have a theme each time. It could be a nice way to get to know one another if everybody shared their perspectives on the same theme, for example "what's your favorite band/musician and why" or "what are your holidays like/what kind of things you usually do on a holiday". Something quick yet fun to share. "What was your dream job as a child and why?" Or quizzes etc: whatever people like.

let's not assume that everyone knows about everything



Past

What were your expectations when you join team?

Were you/we able to complete those expectations? If no, can you guess why?

When you joined the team, did you receive proper training for the tasks?

Did you set any goals for yourself? Did someone else set some goals for you?

Do you have previous/any experiences of performance discussions or interviews (kehityskeskustelu)? If yes, what kind of experiences (good/bad)?

Present

What are your main tasks?

What tasks motivates you? What things you like the most?

What tasks don't motivate you? Why?

What tasks you want(ed) to do, but you couldn't? Why?

What tasks you should've done but you didn't? Why?

What tasks you had to do even you didn't want (or they weren't your responsibilities)? Why?

In your opinion, (how) have you reached your personal goals and/or how have you succeeded in your work?

What things specially helped you reaching your goals?

Has there been problems or obstacles that has disturbed you with reaching your goals? What are the main problems or obstacles?

Is something changed with your tasks after you joined the team? How? Why? Did you like it?

How have you kept up and/or developed your expertise and skills after you joined the team?

Do you think your expertise and skills are enough for the current tasks? If no, why? What should be done?

What skills are your strengths? Are some skills missing that you think you would need to do your work?

What kind of expertise or skills you could share for the team? It can be also something else than task-related (such as how to be good workmate etc.)?

Do you think you are in right career path?

Do you want to tell something else about current situation?

What's your honest opinion, could we separate product development and customer projects? So, that we wouldn't do developing at the same time we are doing project for customer? Do you think separating them is wise or even realistic?

What do you like most, customer projects or product development?

Do you think we need someone to lead the technical team? Especially the team, the people, not the technic itself? Do you think, he/she could be someone outside the company or someone who is already working with us? If second, who?

What do you think about idea, that customer is the one who is paying your salary and that's why customer is always right? And in customer projects you must do what customer ordered?

Our customers are mainly from manufacturing business, do you know anything about that business? Like culture, words, terms, what kind of problems they have etc.? If no, would you like to learn/know?

Future, skills and developing

Do you think that your career is developing? Do you want it to develop? How you want it to develop?

What kind of skills you think you need in near future? Do you already have those skills, or do you think you need more training or education for that? What kind of training or education?

What kind of goals (3-5) do you have for next year?

What kind of support you think you need for reaching those goals? From who?

How are you going to measure/follow-up those goals? Do you hope that someone would help you measuring and following up?

Do you think there might be some obstacles in your way to those goals? What kind of and could someone help you with those obstacles?

Do you see yourself in management position in near future? If yes, do you think you have enough skills for leading task and/or people, or do you need more education for that?

Are there some other learning techniques that could help you in the future (like mentoring, different kind of expos or seminars etc.)?

Do you have some other feed-back that you want to tell?

Work atmosphere, well-being etc.

Do you have right equipments (workspace, devices etc.) to complete your tasks?

Are you treated with respect by other coworkers/management? Do you think we treat everyone equally or do we have some improvement to do on that side?

What do you think about day-to-day management?

Do you think you have an influence on your own work/tasks?

Do you often feel stressed by work? If yes, what things stress you?

Are there some bad habits that shouldn't be

- In you,
- In company overall,
- In your workmates?

What's the best and worst thing in each coworker?

We currently have the following staff benefits:

- Flexible working hours and timebank
- Possibility for working remotely
- Semi-wide occupational health care
- Coffee and snacks at office
- Team lunch and dinner occasionally
- Summer and Christmas party
- Possibility to change holiday bonus pay to leave

What other benefits you would like to have? For example: dentist check-up once a year, Virike/Smartum bills, wider health care, more team lunches/dinners/afterworks, fruits at office, lunch benefit, bonus based on company profit?

Do you think our working atmosphere is good/ok-ish/we need to do better? How could we improve things?

If there was HR manager or HR department at the company, what would be the main/most important tasks (in your opinion)?

How do you evaluate your work-well-being at the moment, for example from 1-10? Do you have some rituals to maintain well-being? Do you need help from us/from Terveystalo for something?

Would you like to have this kind of interview every year?

Do you think this interview has any benefits for your work/tasks now and/or in the future?

Do you think this interview was too long/just perfect?

Do you want to say something else or give some other feedback?

Homework (before the interview)

List your current tasks.

List 3-5 goals for yourself for next year. They can be new skills, new habits etc. as long as they are easy to measure and follow up.

Think, what motivates you, what are the good and bad things in company, what would you like to do now and, in the future, what things you would develop and how (also why) etc.

Homework (after the interview, send to COO by email)

List 3-5 things you want to be developed in company within next year. They can be new ways of working, new staff benefits, new ways of acting etc. as long as they are easy to measure and follow up.

Get to know Slab.com and give feed-back and hopes to COO.

If/when you are applying (or the last time you applied) a new job to what things you pay attention to (in the company)?

What things you value most in work in general?

What things motivate you the most in general? What is the reason you go to work?

What things you value the most in your employer in general?

What things you value the most in your supervisor in general?

What things you value the most in your co-workers in general?

What are the most important things for you in physical work environment?

In your opinion, what is the most important task for the person who is in responsible of company's HR?

What kind of action – in general – an employer could do to improve job satisfaction and work well-being?

How could you affect your and your co-workers job satisfaction and work well-being?

