Impact of Human Resource Management Practices on Employee Performance

The case of L&T (Lassila & Tikanoja) in Finland

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Abstract

Due to globalisation, the business environment has witnessed increased competition forcing firms to seek new strategies to gain competitive advantage through improved performance. As such, Human Resource Management (HRM) has become a common practice for organisations seeking to gain sustainable competitive advantages. Accordingly, some of the HRM practices like selection and recruitment, compensation and rewards, as well as training and development has been effectively utilised by firms to increase employee performance. Despite numerous studies being conducted on this research area, few studies have been carried out on employee performance of organisations located in Finland. Most of the studies have centred on organisations from the United States and western part of Europe including United Kingdom, Netherlands, Belgium, and France among others with limited focus being given to the Scandinavian countries like Finland. This research study sought to fill this research gap by exploring the influence of HRM practices on employee performance using L&T in Finland. The study interviewed four managers working at L&T. Findings showed that L&T implements competitive, equitable and fair salaries, bonuses and allowances as compensation as well as credit card and yearly bonuses as rewards to increase employee performance. Additionally, the study established that entry-level training, cross-cultural training, and special training application are used to train and develop employees hence improving employee performance. Further, the research revealed that merit-based system, interview, on-field talent search, language proficiency, and job-specific skills are adopted by the L&T while selecting and recruiting employees to improve their performance. In the end, suitable suggestions are offered to the HRM at L&T.

Keywords/tags (subjects)

Human Resource Management, Employee performance, Compensation and Rewards, Training and Development, Selection and Recruitment, Lassila & Tikanoja

Miscellaneous (Confidential information)-
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1. Introduction

1.1 Research Background

Rodjam et al. (2020) report that employees’ performance is considered amongst the most significant factors contributing to an organization’s competitiveness in the current economy. The effective functioning of the Human Resources in an organisation is vital while aiming to improve an organization’s performance, which can be enhanced by executing effective HRM operations (Rodjam et al., 2020). Prior to globalization, organizations did compare or implement universally acceptable good practices because they had no way of knowing the extent of their effectiveness (Kerdpittak & Jermsittiparsert, 2019). However, globalization and increasingly disappearing physical borders in the face of advanced technology has made it possible to compare and undertake competent human resource management (HRM) operations enforced in other countries (Noe et al., 2017). In the contemporary business world, firms need to innovate products reduce costs, and improve on productivity, speed, and quality in order to compete successfully (Caliskan, 2010).

Similarly, Bao and Analoui (2011) observed that the increasingly volatile and dynamic business environment has compelled firms to implement not only adaptable and low-cost strategies but also internationally recognized human resource practices that can become a source of sustainable competitive advantages. Currently, human capital is considered as a key resource for contemporary firms as people poses knowledge that organizations can use to leverage competitive advantages. This is affirmed by various past studies demonstrating that organizational performance tend to be positively influenced by HRM operations (Eneh & Awara, 2016). In this case, the HRM team is tasked with ensuring that human resources are utilized ardently so that these provide value in terms of attaining organizational goals, visions and mission.

Since human capital has been recognized as a vital resource for the enhancement of an organization’s performance and productivity, managers have turned their attention towards managing the people that makes everything possible. According to Eneh and Awara (2016), implementing best human resource practices lead to motivated employees with ability to increase their productivity and performance. Thus, some organisations have taken a strategic approach to HRM with more scholars providing the significance of considering HRM as a strategic resource (Eneh & Awara, 2016). In the view Chung and Liao (2010), strategic HRM is about creating a relationship between a company’s performance and HRM operations through the resource-based
view utilization that consider HR as inimitable, rare, and treasured. As a result, it has been widely accepted in the modern society that workers generate a source of organization’s competitive advantage explaining why companies need to implement practices that not only motivate, but also make them give their best to the company. Thus, the trends have inspired an interest towards understanding of how employees’ performance can be improved through HRM operations.

In recent years, scholars and practitioners alike have urged organizations to adopt various progressive or performance-enhancing practices of HRM to increase their performance and competitiveness in the industry (Caliskan, 2010; Rodjam et al., 2020). These recommendations are not surprising because Rodjam et al. (2020) maintain that the way in which organization manages its employees determines or influences its performance. In other words, workers are involved in the daily operations and interactions with customers making instrumental in the life of the organization. Furthermore, technology has made it easy to learn regarding the best human HRM operations used in other countries and adopt the ones that appeals or suitable to the organization. In the recent past, organizations have been measured or gauged on the manner in which they treat their human resources and the speed with which they adopt new and best practices linked to HRM (Bao & Analoui, 2011). Thus, the importance of HR operations has led management scholars to increased interest and attention towards researching issues related to human resource management.

Increased globalisation and high competition implies that employees can easily exit the company when they feel the organization is using unfair or outdated human resource management practices (Rodjam et al., 2020). To such an extent, Bao and Analoui (2011) argue that effective HRM policies and practices are essential in keeping employees satisfied that in turn positively influence organizational performance. Furthermore, recent studies have revealed those organizations that employ effectual HRM operations tend to motivate the employees leading to increasing their productivity in the process and realizing superior performance (Bao & Analoui, 2011; Kerdpitak & Jermsittiparsert, 2019; Rodjam et al., 2020). In particular, Kerdpitak and Jermsittiparsert (2019) argue that firms that have adopted the best practices of HRM i.e. motivation to the employees through various reward strategies, or by giving them certain types of compensation. The other practices include appreciating their performance. In addition to it, fair and effective selection and recruitment improve employee productivity and overall performance.
In regards to compensation and rewards, Hamid et al. (2017) observed that competitive and effective strategies makes it pivotal for encouraging attracting workers to perform their duties in appropriate manner. Gomez-Mejia and Welbourne (2011) noted that organization that implement competitive, fair and equitable compensation policies in the company tend to reduce resentment levels and increase employee performance. Al-Qudah et al. (2014) proposed that based on the expectancy theory, multinationals that link pay to performance are more likely to increase employees’ efforts to work hard, resulting in improved overall organizations performance.

Training the workers in an organization is an indispensable management practice to compete effectively with other organizations and succeed as per the study (Aleem & Bowra, 2020). Further, the authors point out that training and development programs contribute towards employees’ satisfaction because it upgrade and improves their skills and knowledge enhancing their professional development. Furthermore, organizations that have implemented strong programs of training and development for their workforce tend to realize better performance from the workers besides the organization’s performance (Aleem & Bowra, 2020). In particular, the effective training methods help employees to be equipped with the desired skill set that is essential in execution of their tasks leading enhanced productivity and performance. Thus, it had been consequently determined that the influential training and development practices guarantees employees to have required capability for handling not only their respective functions, but also any challenges and pressures that are associated with their jobs (Aleem & Bowra, 2020). In addition, training and development ensure that every employee has an opportunity to improve their performance by updating their skills and learning through training depending on performance evaluation report (Elnaga & Imran, 2013).

Concerning selection and recruitment, Rodjam et al. (2020) contend that firms that adopting effectual selection and recruitment practices that are likely to acquire competent workers. Moreover, Rodjam et al. (2020) note that scholars have established that effective selection and recruitment tend to positively affect firm performance. To this regard, the researchers explained that adopting effective selection and recruitment practices guarantees competent and skilled workforce with capacity and abilities to perform quality tasks at a higher rate leading to increased performance (Rodjam et al., 2020). On the other hand, compensations and reward enhances and offer better outcome when provided to employees based on their assigned duties (Rodjam et al.,
2020). Given that some reward and compensation are monetary while others are non-monetary, the organisation must understand the needs of specific employees to ensure they are matched effectively (Mira et al., 2019). This implies that compensation and reward practices need to consider workers needs to improve their productivity and performance in the organisation. In light of these HRM operations, effectual selection and recruitment methods besides competent training and development initiatives along with best compensation practices will constitute as the current study’s theoretical underpinning.

HRM has increasingly become an important issue in Finland because of the emerging trends such as diversity, immigration, and rising retirement age (Anna, 2016). These issues have implied that workers span a broad range and come from wider ethnic, cultural, linguistic, and religious backgrounds. To that end, organization in Finland have faced challenges related to changing and adapting processes and structures in order to improve inclusivity, communication, and performance (Anna, 2016). Finnish Institute of Occupational Health (FIOH) conducted a survey that revealed that HR professionals in Finland believe that inability to adapt to new and universally accepted HRM operations could affect the productivity and performance of the firm. As such, there is need for firms operating in Finland to adapt to new and best HRM operations, that are bound to support the employees in improving their productivity, which will eventually lead to enhancing the organization’s performance. As a company that has operated in Finland for more than 100 years and evolved over the years, Lassila & Tikanoja Company popularly known as L&T, is best suited as a case study that can help in understanding how adopting effective HRM operations influence performance of workers as well as the organization. Established in 1905, L&T began as a wholesaler, but later developed into a service company after undergoing various stages of transformation (L&T, 2022). With 8100 employees, the company has been adopting and implementing various HRM operations which significantly include the effectual methods of selection and recruitment besides the competent rewarding and compensation practices, and most importantly, running the training and development initiatives due to a rise in diversity at workplace. Therefore, it is vital to determine if the HRM operations that L&T adopts have contributed to increased employees’ and organizational performance.
1.2 Research Significance

1.2.1 Theoretical significance

Although various research studies have been undertaken concerning HRM operations influencing employee performance within the organisation, there are few studies on workers’ performance of organizations located in Finland. Most of the studies have centred on firms from the US and Western European countries with little focus on Scandinavian states. An example is Boselie et al. (2001) who examined the lessons that can be obtained from the Netherlands from the perspective of employee performance and HRM. The study determined that organizations in Netherlands that implemented effective HRM operations realized superior performance from their workers and this in turn improved the respective organizations’ performance. Even when comparing Influence of HRM operations and job performance quality among European University workers, Smeenk et al. (2008) failed to include any of the Scandinavian countries in their list leave alone Finland. Although the study showed the significant Human resource practices including selection and recruitment, rewarding and compensation in addition to rendering the influential training and development programs which could significantly influence workers’ job performance, it will be challenging to apply the findings to Finland because of the different business environment and culture. It is clear most researchers have explored the role played by effective HRM operations and performance of the workforce without much focus on Finland necessitating the need to explore the topic in the Finnish context. Thus, this research will fill the research gap by offering new insights on the study topic. Conclusions that the study will draw will provide theoretical background and guidance for future studies that seek to investigate the phenomenon.

1.2.2 Practical significance

In the light of significance of HRM operations leading to employee performance, eventually makes it vital for the organization’s HR managers to show awareness of the effective HRM policies and operations which effectively influence workers’ performance for the organization’s growth. From a practical standpoint, this study’s findings will be used to provide suggestions to the L&T HR managers and those of other companies on the effective HRM strategies that can be utilized in enhancing workers performance. Precisely, the study will provide details of how HR managers should enforce the application of effective HRM strategies to improve employees’ performance.
1.3 **Aim and Specific Objectives**

The study aims to examine how HRM operations influence workers’ performance in the firms using the case of L&T in Finland. Subsequent to developing the aims, the research objectives were developed by first identifying the variable to be measured. For instance, this study’s independent variable is HRM operations as staff performance constitute to be dependent variable. Thus, the study developed the objectives based on the various HRM operations like recruitment and selection, rewarding and compensation, development and training against workforce performance, which is the study’s dependent variable. Therefore, the following were developed as the objectives for guiding the research aim:

1. To ascertain impact of compensation and reward strategies on staff performance at L&T
2. To ascertain impact of development and training on performance of L&T
3. To explore how development and training impact performance of L&T’s employees in Finland
4. To suggest effective strategies that can be used to improve workers performance in organizations.

To fulfil the objectives above, the following study questions were framed:

1. What is impact of compensation and reward strategies on the performance of L&T employees?
2. How does training and development impact the performance of L&T employees?
3. What effects does selection and recruitment strategies have on staff performance at L&T?
4. How do effective adoption of HRM strategies improve the performance of employees in organizations?

The study questions will be answered through gathering of data from participants who are the staffs of L&T in Finland. Based on the data gathered or the responses accumulated from these participants, the research will attempt to answer these questions.

1.4 **Thesis structure**

This thesis is structured into five main sections. The first section is about introducing the study including; research background, research significance, and aims and objectives. The second section presents a literature review of the concepts related to HRM such as compensation and reward strategies, development and training, and recruitment and selection strategies that affect staff performance for firms. The third section discusses appropriate research methods which have
contributed in executing the study. Precisely, the research will adopt qualitative study methods and interviews to gather respondents’ subjective views. Section four considers and critically discusses findings of the study thereby analyzing available literature. Finally, the section five offers recommendations and conclusion.

2 Literature Review

This section entails discussion of the corresponding existing data for influence of HR operations on the staff’s performance. Researchers review existing information by considering the specific objectives delineated in the previous chapter. The researchers focus on the credible literature sources like reputable websites, books, and peer-reviewed journals when conducting the literature review. Firstly, the chapter presents the Harvard Model for Human Resource Management. Secondly, the chapter critically discusses aspects of HRM operations followed by employee performance. Thirdly, influence of HRM specifically compensation and reward strategies on workers performance are explored. Fourth, the HRM practice influence namely training and development for enhancing workers’ performance is critically discussed. Fifth, it critically reviews how selection and recruitment influence the performance of employees. Finally, a summary of the chapter is offered after developing the conceptual framework.

2.1 The Harvard Model for Human Resource Management

The scholars Beer et al. in 1984 have developed the Harvard model for HRM which recognizes the existence of the multiple stakeholders in an organization i.e. shareholders, management, employees, community and government, who affects organizational performance. The model places more emphasis on the human capital side of the HRM. Specifically, the model considers employees as a significant factor that influences organisational outcomes (Thierry, 2018). More importantly, the interests of stakeholders must be considered during the development of HRM operations. Agyepong et al. (2010) asserts that the model requires HR managers to involve and develop the employees through effective HRM policies and practices so as to attain positive results and long-term outcomes. This model also theorizes that organizations will attain record performance provided that they identify, gain commitment to and apply a set of HRM operations.
According to Thierry (2018), the Harvard model mainly considers the four basic areas of HR policies which firstly include the reward systems i.e. motivation to the employees and the effective compensation systems. The second area includes the human resource flows which deals with the effective procedures of selection, recruitment as well as the promotion, appraisal or termination, etc. The third area includes the work systems which consider the design of work. The fourth and the last area include the employee influence which considers the operations related to power, authority and responsibility. The Figure 1 illustrates the model below that significantly includes the five components i.e. stakeholder interests, situational factors, policies of HRM, HRM results and long-term consequences (Haubold et al., 2020). Together, the stakeholder interests and situational factors influences the core HRM policies including staffing, reward systems, training, and development of the employees. Consequently, effective HRM operations results in constructive results. The constructive outcomes lead to consequences at three significant levels i.e. individual (employee), organizational and societal level. Based on these findings, the Harvard Model is crucial in providing better understanding of the way HRM operations: compensation strategies, reward strategies, training and development in addition to recruitment and selection can influence workers’ performance working at multinational companies.

However, the model is criticized for adopting the soft HRM method instead of the hard HRM method that shows the possibility of business failures due to organizational challenges (Babalola, et al., 2018). Also, the model can allow employees to engage in social loafing which increases conflicts in workplace resulting into low employee performance. In addition, Paauwe and Boon (2018) argued that the model does not comprehensively understand factors concerning businesses. As such, some scholars have suggested the hard HRM viewpoint focusing on enhancing productivity through getting employees involved as machines for long periods.
2.2 Human Resource Management (HRM) practices

Armstrong (2012) contend that HRM operations are methods that organisations use to manage employees. Omuya (2018) complements Armstrong (2012) by noting that HRM involves all the policies and practices that organisations implement to ensure their employees are effectively and efficiently managed (Omuya, 2018). Jashari and Kutlovc (2020) described HRM operations as techniques that firms use to manage human capital, taking into account the skills and competencies that are specific to the organisation needs are used to gain competitive advantages. The main HRM objective is to ensure that a given organization’s employees are utilised effectively, such that the employer realises the highest possible value while the employees obtain appropriate rewards for their work (Armstrong, 2012). Feng (2016) contends that the major HRM operations and policies include effective selection and recruitment methods besides the compensation and rewarding practices. The other major practices found were training and development besides appreciating employees’ performance, and other remarkable operations of HR planning and labour relations. All these practices were proved to be leading to positive employee performance as well. By implementing these HRM operations, organisations stand the chance of enhancing employee productivity hence improving their performance. For this study, compensation and rewards, development and training, and selection and recruitment have been selected have been selected as they provide the possibility of understanding employee performance. These HRM operations are critically discussed in subsequent sections.
For improving employee performance and gaining competitive edge, most organizations are concentrated on HRM operations and the manner in which these operations overcome the matter of globalised world (Rodjam et al., 2020). In implementing HRM operations, the company is able to enhance workers’ productivity and their job performance. In other words, when employees are well trained with opportunities for skills and competency development, and evaluated on their performance, rewarded and empowered based on appraisal outcome, their productivity and performance are likely to improve (Rodjam et al., 2020). According to Armstrong (2012), the increasing globalization brings a lot of challenges to organizations that can be defeated through implementing HRM operations because they improve employees’ satisfaction levels. Therefore, based on the past studies, the practices and policies increases the level of satisfaction and improves employee performance.

However, other studies have found contradictory results relating to the value of HR operations within the firm though the competitive market is characterised with competition for talents even when some reports downplay the role of HR in the modern business world (Mira et al., 2019). Despite arguing that HRM role is increasingly becoming irrelevant in the modern business world, Mira et al. (2019) note that businesses continuously understand the need to strategically utilize these practices to be competitive in the industry. As a result, organisations have concentrated their strategies on developing competitive advantage in line with resource-based view by identifying HRM that could ensure that human resources are rare and valuable (Aleem & Bowra, 2020). Although HRM has always been discussed or conceptualised in the perspective of practices, Cheng and Nasurdin (2011) assert that HRM also focuses on specific philosophies and policies that are developed with the aim of developing, motivating, retaining, and attracting employees with the goal of ensuring effective survival and functioning of the organisation. In that regard, Chenevert and Tremblay (2009) highlighted that HRM operations and policies often tend to differ for different organisations, and thus needs to be aligned with the key strategies of the business with the goal of realising firm’s objectives. The objectives may include but not limited to increased market share, profitability, sustainability of the organisation, growth and expansion as well as customer satisfaction.
2.3 Employee Performance

Ngwenya et al. (2019) have pointed out that employees’ performance is assessed in terms of productions, although it may be looked at from the perspective of employee behaviour. Omuya (2018) explained employee performance as the effectiveness, timeliness and efficiency in task completion by the employee. Al-Qudah et al. (2014) proposed workers’ performance as the most important factor that determines organizational performance. Consequently, Successful firms acknowledge the significance of HR that directly contribute to its performance. To a large extent, any organization’s success relies on the employee’s behaviours and decisions, even though other factors such as the business environment and size can contribute to organisational success. Al-Qudah et al. (2014) explained workers’ performance corresponding to evaluation processes such as employee behaviours which are widely used to evaluate behaviours that are essential to complete a job; workers attributes which confirm qualities vital to a firm and employee achievements indicating the extent to which organisational goals have been fulfilled.

Although HRM operations affect employees’ performance as asserted by Ngwenya et al. (2019), it is also noted that organizational performance is highly dependent individual staff performance. According to Ngwenya et al. (2019), successful organisations comprehend that the value of HRM as an essential factor influencing and contributing towards performance. Essentially, Al-Qudah et al (2014) note that HRM operations instigates staff performance and highlights the requirement of improving performance of employees has been necessitated by the dynamic modern era and competitive nature of the business environment. In that regard, Mira et al. (2019) considered performance of employee as applying the skills, abilities, experiences, and competence for achieving mission or tasks assigned by their supervisors with efficiency and effectiveness. The importance of employee performance can thus be linked to measuring work quantity and quality, cost of the resources employed, helping in the sustainability of the organisation, realising performance goals, and assisting with employees’ decision (Al-Qudah et al., 2014).
2.4 Impact of reward and compensation strategies on employee staff performance in organisations

2.4.1 Compensation and reward strategies

As explained by San et al. (2012), compensations are the bonuses provided to employees for the services they deliver to the organisation. The process of compensation can be categorised into indirect compensation and direct financial. Maley et al. (2020) add that compensation can take various forms such as base salary, and in addition to it, healthcare and insurance has also been recognized as a form of compensation, along with various schemes of pensions and stocks. As a strategic policy, compensations can affect the organisations ability to attract new employees, attain workers loyalty, and ensure maximum productivity by the employees to meet organisational objectives (Alqudah, et al., 2014). For the reward strategies, Sajuyigbe et al. (2013) explained that they are policies and processes that recognize workers contribution in an organization through financial and non-financial means. This definition is echoed by San, et al. (2012) who noted that reward strategy is about designing and implementing processes and policies that align organisational goals with reward systems. Importantly, reward strategies provide specific directions into how firms can design individual reward programs. Importantly, compensation and reward practices are vital practices that significantly improve employee and organisational performance (Ilyas, et al., 2016). Omuya (2018) affirmed that compensation and reward practices as an indication of how employees are being appreciated by the organisation.

Reward and compensation strategies adopted by the organisation can be traced to its employee motivation, business structure, feedback, retention, recruitment and satisfaction (Hailemariam et al., 2019). For that reason, Hailemariam et al. (2019) argue that employees often consider the compensation and reward strategies used by an organisation to determine whether to join the firm or not. Furthermore, Oluigbo and Imo (2014) explain that compensation and reward strategies help the organisation in minimising the high employee turnover experienced in most industries as well as assists the firm develop and sustain good relationship with its stuff, thereby retaining them in the process. To that extent, Oluigbo and Imo (2014) argued that this only points that reward and compensation is a significant factor that affects how employees perform in an organization. Similarly, Hailemariam et al. (2019) pointed out the role of compensation and reward proved by high number of researchers that use it as independent variable in their study and often find positive correlation with workers performance. Based on the job description of
employees, organisations can define the best reward and compensation strategies that can motivate each employee into improving their performance.

### 2.4.2 Impact of reward and compensation strategies on staff performance

According to Khudhair et al. (2020), several studies in the past have established similar outcomes and this prove that there is firm relation between compensation and rewarding strategies with workers’ performance. A research by Ramanathan (2012) indicated that a significant and positive link concerning and the way in which workers performed due to the provision of bonuses by the employer. Other studies conducted by Tinaikar (2017), Rizal et al. (2014) and Khudhair et al. (2020) discovered similar findings by noting a significant link between staff performance and rewards provided by the organisations. Specifically, the studies reported that salaries, allowance, rewards, and non-financial compensations largely contribute to the performance of employees. Similar outcomes were found in a quantitative study performed by Darma and Supriyanto (2017) for identifying Influence of compensation in relation to worker performance. In the study, compensations and rewards like salaries, wages, recognition, promotions, bonuses and allowances were assessed and found to by substantially influencing workers’ perspective towards completion of tasks assigned to them. The findings by Darma and Supriyanto (2017) are affirmed by Nelson and Spitzer (2013) who noted that new employees are full of zeal and energy, hence they need proper salaries and recognition to improve their performance. The study showed that organizations can achieve by involving the staff in the decision-making process, showing empathy towards employees, increasing their responsibilities, and providing employees with succession plans and various opportunities of higher designation.

Further, an exploratory research study by Masea (2016) conducted in South Africa revealed that compensation and rewards positively influence employee’s productivity as they are motivated. Conversely, Shin-Rong and Chin-Wei (2012) reported the presence of a gap existing between staff performance and compensation strategies adopted by the organisation as some employees require more than compensation to be productive. Precisely, the study showed that employees become more loyal and productive when the organisation recognises and appreciates their contribution through verbal appreciation, certification, and other components. However, the study showed that most organisations are missing the valuable components of recognizing employees that greatly reduces worker performance. Importantly, the research found that that
recognition of employees is critical as they realize that they are valued and appreciated by the organisation. Such findings by Shin-Rong and Chin-Wei (2012) are in congruent with the results obtained by Aktar et al. (2012) on Influence of intrinsic rewards like recognition, career advancement, challenging work environment and learning opportunities. By using mixed research methodology comprising of interviews and questionnaires, 72 managers from 12 commercial banks in Bangladesh provided their opinion about rewards impacting their performance. Findings indicated the provision of intrinsic rewards contribute to a substantial influence on staff performance. The findings hence concluded were found to be in line with that by Al-Qudah et al. (2014) who undertook similar research in organizations in Malaysia. From the research, compensation for employee performance had been found to be increasing the efforts of the workers, and hence, positively influencing on the organisational performance.

Another study by Abugre and Nasere (2020) on the correlation between high work performance, work systems, and HR operations adopted by MNCs in developing countries found significant results. By collecting and analysing data from 317 Ghanaian employees working in MNCs, they established that competitive fair and equitable rewards and compensation greatly influence staff performance in multinational organizations. The findings also showed that high performance work systems such as job involvement plays a key role with regards to improving the relations between staff and HR leading to increased productivity levels. Similar findings of Abugre and Nasere (2020) are observed by Gathrie et al. (2008) in their study of high-performance organizational systems implemented by HRM of MNCs operating in Northern Ireland. By examining high performance work systems (HPWs) adopted by Irish owned versus foreign owned firms, they found that foreign multinationals that uses HPWs such as effective rewards and compensation results in high rates of productivity and innovation by the employees.

In a research by Bartram et al. (2015) on the reward practices that many firms operating in Australia adopts, reveals that the reward practices based on employee performance positively stimulates the employees to enhance their productivity. It has also been identified that the majority of companies conducting business in Australia tend to use broad range of rewards practices to influence employee and organisational performance. Additionally, San et al. (2012)’s study explored how reward strategy influence staff performance for organisations operating in Malaysia. The findings suggested that objective and financial measures are the main aspects that
companies considered when designing reward systems for employees. However, companies have shifted and are currently incorporating non-financial measures in their reward strategies. The study also reported that provision of identical rewards influences employees to various working nature that deviates from the usual norms of the organisations.

Another research conducted by Omuya (2018) on the reward and compensation strategy influence on the employee performance from Kenyan public universities offers some credible findings. By recruiting and questioning 125 human resource employees, Omuya (2018) found that good compensation and rewards significantly contribute to employee performance. Most workers tend to provide their output on the basis of the pay plan and structure implemented by the organisation. In a similar vein, Mockaitis et al. (2018) revealed that compensations and rewards play a crucial role for organisations that rely on human capital as a strategy for attracting and retaining skilled labour. More significant, the research findings demonstrated that compensation positively influence the performance of workers when it is linked with innovative work that requires the cooperation of employees to solve the challenges. Currently, Kudhair et al. (2020) noted that many organisations around the world are focused on discovering innovative compensation and reward strategies that can directly enhance the worker performance. In light of the above findings from past studies, a conclusion can be derived that compensation and reward strategies positively and significantly influence performance of workforce.

2.5 Impact of development and training on employee performance

2.5.1 Development and training

Bullah (2016) describes training as the organized procedure that allows employees to learn specific skills or knowledge to be competent in respective works. The main purpose of training is to inculcate a behavioural change among the individuals those are being trained. This means that employees shall acquire new technical expertise and manipulative skills for the task that helps in attaining the goals of the organization. Jashari and Kutllovci (2020) explained training as the use of specific means that inculcates learning using techniques that can be identified and explained. Such techniques should be improved continuously. Similarly, Jahanzeb and Bashir (2013) described training as an organized learning approach that improves employees and ultimately organisational
performance. Therefore, training is an effort aimed at teaching specific knowledge, skills, and attitudes that serves specific purpose.

Regarding development, Nda and Fard (2013) described it as the activities which lead to new knowledge and skills acquisition for future growth purposes. Devi and Shaik (2012) conquers with Nda and Fard (2013) by asserting that development focuses on improving employees’ behaviours, enhancing their performance and future jobs. Organisations offer workers with development opportunities or programs to improve their work capabilities. Combining the two terms, Tahir et al. (2014) explained development and training as the driving force to employee creativity that helps to prevent worker obsolescence and increase their ability to adapt to technology. While Davi and Shaik (2012) defined development and training as the enrichment of workers’ knowledge and aptitude, Ngwenya et al. (2019) explained development and development as a key strategy for improving worker productivity and performance. It has been significantly identified in several literatures that training and development is described in many ways, but commonalities exist. Notably, skill and knowledge enhancement that improves employee’s competency on the job are common. Currently, employee development and training has become a critical strategy for organizations to improve employee productivity and firm performance (Ngwenya et al., 2019). As such, firms globally have invested in continuous employee development so as to maintain employee and organisational performance.

### 2.5.2 Impact of development and training on staff performance

According to Debrah and Rees (2011), enormous studies have demonstrated a significant relation between development and training of workers with respect to their performance. For instance, Tahir et al. (2014) performed a quantitative research on how development and training influence employees in Pakistan and the findings subsequently determined a notable link between the development and training programs for workers besides their productivity and performance. Precisely, HR activities significantly showed enhancing workers’ performance, equipping them with new skills necessary a new job position or ensure the general growth of the workers and the organisation. The research also established that skilled and competent employees perform better than those employees who lacks the skills for the accomplishing a particular work. Importantly, the research reported that well trained and developed employees stand a chance of getting better in their careers thereby increasing productivity. The findings of Tahir et al. (2014) concur with a
research done by Guest (2010) on the importance of training on the worker’s knowledge development in South Africa. The findings indicated that training approaches and practices tend affect the competencies and functionality of the employees resulting into improved performance of employees and organisation. A similar outcome was found by Fakhar et al. (2011) analyzed Impact of development and training with regards to employee productivity of Indian workers at Pearl continental lodge. The study findings established that development and training of employees positively and significantly influences on the overall employee productivity.

Additionally, a research by Wanyama (2010) based on relation between employee performance and capacity building of Kenyan commercial banks provides credible insights. By collecting and analysing quantitative data from 125 employees, Wanyama (2010) concluded that implementing capacity building of workers substantially increased the level of productivity among the workers. Still on the Kenyan context, Musili (2010) performed a study on the perceived development and training effectiveness on in-flight attendants’ performance for the Kenyan airways. The research reported that training and developing the in-flight attendants was perceived as crucial to their productivity and firm performance. In contrast, a research by Hameed (2011) in Nigeria on the models and theoretical frameworks which can be connected to employee development and performance provides a different view. Although, employers tend to work towards the staff’s development and training, the suitability of those training strategies may render the whole program ineffective thereby reducing employee performance.

Such findings of Hameed (2011) are backed in a qualitative research study by Dave and Sinha (2016) in India showed that organisations can choose to develop and train workers based on two methods; ‘training off the job’ which encompasses training workers in a different location or set up from their workspace such as role play or training in conferences, and ‘training on the job’ entails training workers as they do their work in the same work space such as coaching, mentoring, job transfers or job rotations. From a different perspective, a qualitative research by Mehrabani and Mohamad (2011) conducted in Iran introduced knowledge sharing and training as two variables critical in the leadership development and performance of employees. Through interviewing senior executives as well as managers of Iranian oil companies, the findings proved training activities and knowledge sharing to be improving the performance of workers. Besides, the research introduced six training activities such as action learning, job assessment, job rotation,
case study, role playing and 360-degree feedback. The authors concluded that training activities are crucial in improving performance of employee and organisation. Also, the study suggested that conducting a quantitative approach is key in finding the moderating role of each of the six factors in the worker performance.

Jeni and Al-Amin (2021) conducted a similar quantitative research on analyzing Impact that developing and training workers in Bangladesh banks incurs and the outcomes were realized. The findings established that development and training not only increase workers productivity but also positively influences on their motivation and satisfaction in the banking sector. Through skills gap identification, the employers developed programs of capacity-building that equipped the staffs with knowledge, competencies, and skills for the ever-changing job environment. In light of the above outcomes, it can be concluded that developing and training employees tend to positively influence productivity and performance. The studies have shown that effective training techniques like coaching, mentoring and training on the job can enhance employee performance through boosting their morale and increasing their competence.

2.6 Impact of selection and recruitment on staff performance within organisations

2.6.1 Selection and recruitment

According to Oaya et al. (2017), selection involves process of screening candidates for selecting the appropriate applicant for the vacant positions while recruitment involves searching potential candidates to occupy the positions left vacant and encouraging them to render their applications seeking for those positions in the organisation. According to Babarinde (2021), selection process focuses on the identification and employment of the best apt and qualified individuals for particular job openings while recruitment focuses on inspiring candidates to match their capabilities with the demands for the jobs. The main objective of recruitment for organisations is to find potentially qualified job seekers who will be capable of performing their duties (Sutanto & Kurniawan, 2016). In the international market, MNCs adopt four major recruitment and selection approaches namely polycentric, ethnocentric, regiocentric, and geocentric (Kang & Shen, 2015).
The organisation needs to choose cautiously the recruitment policy based on the general strategy of the company (Kang & Shen, 2015). According to Al Qudah et al. (2014), there are many factors influencing the recruitment process and can be categorised as either external or internal factors. Some of the key external factors affecting the recruitment process are restrictions that the government inflicts and the labour market restricting recruitment policies enhancement (Sutanto & Kurniawan, 2016). On the other hand, Kang and Shen (2015) identified policy and vision of the organisations as the key indicators and efforts toward recruitment. Accordingly, Al Qudah et al. (2014) affirm that it is vital for HR managers to possess ability and competency needed to select suitable employee and put them in their right positions. Recruitment and selection are significant functions because the latter helps in collecting information concerning applicants that would be used during the recruitment process (Al Qudah et al., 2014).

### 2.6.2 Impact of selection and recruitment on employee performance of multinational firms

Studies in the past have shown that a positive and substantial association exist between selection and recruitment and the employees’ performance in an organization (Babarinde, 2021). In the light of it, Adeyemi et al. (2015) explored role of selection and recruitment in organisational performance through ‘questionnaire method’ on employees of Access bank in Lagos. They found that use of employment agents, employment referrals, and advertising job positions to the public are the most reliable ways of recruiting competent employees that translates to effective performance. Similarly, Olatunji and Ugoji (2013) carried out a study in which the result indicated that recruitment procedures adopted by Nigerian companies significantly influences personnel behaviour and the overall employee performance. Also, a quantitative paper published by Makhamara et al. (2016) on influence of selection and recruiting of staff in Kenya’s health sector concluded an association of strategic selecting and recruitment practices on staff performance. However, contrary to these discussed studies, Sarah et al. (2018) found that unethical selection and recruitment practices such as discrimination which showed a weighty and negative influence on the workers’ performance as they feel demotivated.

Besides, a quantitative study done by Sutanto and Kurniawan (2016) on the influence of recruitment and staff retention to worker performance in Indonesia found that employee retention and recruitment poses a significant influence on employee performance. Importantly,
organisations that implement good recruitment and retention programs offers a positive influence that increases employee productivity, commitment, and work quality levels. Similar findings were discussed by Babarinde (2021) in their quantitative research for Influence of selecting and recruiting process towards worker productivity in firms operating in Nigeria. Babarinde (2021) reported that merit-based system applied during selecting and recruiting processes tend to significantly and positively influence performance of workers in large firms.

Furthermore, Martins and Diaconescu (2015) in a qualitative study on selection and recruitment of expatriates for long term intercontinental assignments revealed that selection and recruitment positively influence employee performance. By collecting qualitative data from 42 expatriates and 18 local employees working in Portuguese companies, they found that selection and recruitment criteria such as years in service, trust from managers, availability, language and technical competencies as well as organisational knowledge positively and significantly influence workers’ performance. Moreover studies by Ekwoaba et al. (2015), Oaya et al. (2017), Bakhashwain and Javed (2021) reported constructive influence of selecting and recruitment practices on the productivity of staffs. Specifically, the studies found that relying on internal employee recommendation, meritocracy, virtual teams during recruitment and selection as well as recruitment agencies assists organisations to recruit productive and committed employees that results into increased workers performance and organisational efficiency. On the basis of the above outcomes from the existing literatures, the research concluded that selection and recruitment appear to be having constructive influence on workers’ performance in an organization.

2.7 Conceptual framework

A conceptual framework has been developed and represented in Figure 2 corresponding to the aims of the research by taking insights from the literature review. HR operations like compensation and reward strategies, development and training and selection and recruitment form independent variables. Contrary to it, dependent variable for the study is proposed to be the “employee performance.”
Figure 2. Conceptual framework for the study (Drawn by Researchers)

2.8 Chapter summary

The literature review involved critical evaluation and analysis on the extant literature regarding how HRM operations affect workers performance. On analyzing, it is clear that HRM operations such as selection, recruitment, development and training, in addition to compensation and rewarding positively and significantly influence the employees’ performance. Specifically, it was established that organisations that provide competitive, fair and equitable compensations and rewards in terms of allowances, bonuses, insurance, salaries, non-financial compensations, wages, recognitions and promotions positively and significantly influence workers’ performance. Additionally, the literature review revealed that development and training activities like cross-cultural training, capacity building, formal education, cross-border sharing knowledge, learning by performance, foreign language support, global business negotiation skills, and global networking positively influences on workers’ performance. Considering the selection and recruitment, literature review revealed that aspects such as employment referrals, employment agencies, advertising jobs to the public, merit-based system, language and technical competencies, years in service (experience), trust from managers, education, internal employee recommendation significantly influences the employee performance. Nonetheless, unethical selection and
recruitment practices such as discrimination on grounds of race or religion, negatively influences on the employee performance.

3 Methodology

This section critically discusses the study methods that are utilized in evaluating how HRM influence performance of workers by focusing on the example of L&T in Finland. In achieving this, the chapter justifies and provides the rationale behind the chosen methods and explain the reasons for leaving out some methods. Discussing the research methods entail data gathering process, data collection techniques, research approach, research design, and research philosophy, sampling and data analysis technique. Finally, the research ethics and chapter summary are presented.

3.1 Research philosophy, approach, design and strategy

Starting with research philosophy, it entails the assumptions and beliefs developed by the researchers regarding the social aspects lead to developing knowledge (Alharahsheh & Pius, 2020). In this case, researchers considers two philosophies in research studies namely; positivism and interpretivism. Regarding interpretivism, Saunders et al. (2019) noted that it focuses on subjective social realities interpretation that helps to develop knowledge on a certain social phenomenon. In essence, a researcher who adopts interpretivism approach focuses on developing the existing theories through examining the manner in which people make meanings of the world or their surroundings. Contrastingly, Kumar (2014) observed that positivism approach adopts an objective social realities interpretation by using empirical data that tests the prevailing theories. As such, positivist researchers observe, quantify, and analyse the social realities using statistical tools. In that regard, positivism philosophical approach is based on the notion that knowledge is reliant on natural phenomenon, especially their properties and relations (Saunders et al., 2019). In other words, positivism base its predictions on the prevailing general relationships and patterns by refining theories and tests. However, positivism was not suitable for the research because it sought to interpret and understand the views and opinions of the participants in relation to HRM operations influence on workforce performance.
Regarding this, the research study opted for interpretivism philosophy to explore HRM activities influencing employee performance in firms by taking the case of L&T in Finland. The logic for this is because the research phenomena is socially constructed and this can only be comprehended by interpreting the subjective views of the research aspects (Saunders et al., 2019). Therefore, researchers can interpret the respondents’ subjective opinions and views. Because the study focuses on HRM operations influence on staff performance using the case of L&T in Finland, research participants could differ in experiences as well as opinions on the research topic because they understand the topic differently because of their diverse backgrounds. Additionally, Saunders et al. (2019) affirm that interpretivism philosophy is recommended when the researcher focuses on the detailed description of a particular situation and includes all the related aspects to it in reality. In this regard, interpretivism philosophy would help the researchers to determine the details and realities behind the research topic. Specifically, the researchers would collect different views, thoughts, and feelings on Influence of compensation and rewards, development and training as well as selection and recruitment on the workers’ performance so as to understand the research phenomena. However, positivism philosophy is left out of this study since it collects quantitative data and objective in nature (Neuman & Robson, 2014). Also, positivism philosophy is conducted in restricted environment which limits the research subjects when providing their responses, hence less data is collected (Neuman & Robson, 2014).

For the research approach, Wardani and Kusuma (2020) affirm that it involves the specific procedures that offer guidance on the way the data should be collected and analysed. Besides, research approach indicates the precise plans implemented by researchers to understand the research assumptions and interpretations. In business research, researchers commonly utilise inductive and deductive approach as the research approaches. Drawing from a study by Hughes and Sharrock (2016), inductive approach focuses on new theories development from bottom to top using the data collected. Importantly, inductive approach begins with a narrow theory, and extrapolates the theory to a wider perspective thereby formulating conclusions that are extensive and general. In addition, inductive approach enables the researcher to explore new and existing phenomenon from different perspectives that perhaps had not been considered (Wardani & Kusuma, 2020). Differently, Hughes and Sharrock (2016) explain deductive approach also known as ‘top-bottom’ approach in terms of testing and confirming the existing theories from a wider perspective to a narrow perspective to arrive at specific conclusions. Moreover, Hughes and Sharrock (2016) pointed out that deductive approach rests on the actions taken during the study
implying that the research approach can use either qualitative or quantitative studies. Accordingly, deductive approach has always been associated with quantitative approach (Hughes & Sharrock, 2016). In line with this assertion, deductive approach becomes inappropriate for this study because it is a qualitative study that uses qualitative data.

This research study opted for inductive approach. In particular, the rationale grounding the choice of inductive approach that researchers focus on developing new theories instead of confirming/rejecting the existing ones. Adopting inductive approach can help the researchers develop new theories on the HRM operations’ influencing development and training, rewarding, compensation, along with selection, recruitment on employees’ performance at L&T in Finland. In addition, Wardani and Kusuma (2020) affirm that inductive approach complements interpretivism philosophy, which is the focus of this research. Nonetheless, inductive approach was suitable for the current study since collecting quantitative data from the employees at L&T was required so that their opinions and perceptions towards HRM operations influence on their performance can be understood. However, deductive approach could not be adopted in this research because it tests the existing theories while the current study is interested in developing new theories. Therefore, a deductive approach would limit the focus of this study which is geared towards extensive and in-depth understanding of the research phenomenon.

Regarding research strategy, it refers to the specific plans for analyzing a series of scientific research processes (Saunders et al., 2012). Research strategies incorporate the guidelines that are adopted in planning, executing and monitoring the study process. Researchers mostly apply surveys, case studies and experiments as the suitable research strategy. The research strategy choice that a researcher selects relies upon the researcher’s choice of questions, study scope, and control level needed (Saunders, 2011). Accordingly, the study has not adopted survey due to the quantitative gathered in this study emanate from large population sample with subsequent adoption of statistical methods (Ormston, et al., 2014). Similarly, since experiments tend to focus on scientific relationships of the variables from the world’s nature, it is not a right choice for the current study by Harrison et al. (2017). This leaves case studies to be the only strategy that is viable for executing this study. As Ridder (2017) affirms, case study allows gathering of data from contemporary organisations or event. More interestingly, case study is crucial in addressing the internal issue of a company as the researchers can sample people who are directly associated with
the company to obtain their opinions. Specifically, internal issues concerning Influence of HRM operations at L&T in Finland are explored. In addition, Harrison et al. (2017) posit that a researcher can obtain answers to why, what and how of the research questions when using case study. Subjects at the management level were selected to respond to questions such as ‘What are influences of rewarding and compensation strategies on employees’ performance at L&T?’ How do development and training influence employees’ performance in L&T, Finland? And what are influences of HRM recruitment strategies on employee’ performance in L&T, Finland. Through case study strategy, these questions can be answered properly as the participants share their opinions, experiences, and feelings.

Focussing on the study design, Hammarberg et al. (2016) noted that it is essential in research because it provides the research with a logical structure necessary for answering the problem under investigation. Qualitative and quantitative research designs are the two most commonly used research designs. In a quantitative research, the gathering and conversion of data is done into a numerical form to guarantee smooth interpretation and evaluation of information (Saunders et al., 2019). This implies that quantitative research needs quantitative data collection, especially from large sample population. Furthermore, Lampard and Pole (2015) assert that quantitative data is preferred in quantitative research because the information gathered from the participants can be easily quantified making it easy to duplicate leading in reliable findings and results. In addition, Hammarberg et al. (2016) explain that some researchers prefer quantitative data because they are accurate with minimal subjectivity and error. On the other hand, adopting qualitative approach during research involves gathering qualitative data from the respondents to capture their opinions, views, and experience (Hammarberg et al., 2016). In that vein, qualitative research provides extensive enquiry and offers fundamental justifications for any action or a phenomenon taking place.

This research study adopts qualitative research to help in exploring how HRM operations lead to influencing the employees’ performance within organizations such as L&T in Finland. Accordingly, Lampard and Pole (2015) referred that adopting qualitative research is appropriate in cases where the researcher is looking to obtain a deep and comprehensive knowledge about the specific problems in a social context and only relying on a small population sample. Thus, utilizing qualitative research enabled the researchers to acquired exhaustive data that included
participants’ experiences, opinions, feelings and thoughts concerning how HRM operations influence workers’ performance. However, the researcher reject quantitative research since it requires the numerical data from a huge sample space including many respondents which is not this study’s aim (Ketokivi& Choi, 2014). Additionally, quantitative study functions in a comparatively restricted environment that requires a limitation to the researcher’s contact with the respondents, thus, their perceptions and feelings are ignored during data gathering (Ketokivi& Choi, 2014).

3.2 Data collection techniques, sampling method and the data collection process

Starting with the techniques for collecting data, it entails the procedures and techniques used by researchers to gather data concerning specific topic under investigation (Ketokivi& Choi, 2014). Ketokivi and Choi (2014) maintain that researchers should focus on choosing the most suitable data gathering technique because it greatly influences the reliability besides the credibility of the study. The core data gathering techniques commonly used by researchers entails focus groups, interviews or questionnaires (Sutton & Austin, 2015). Focus group is a process of data gathering which is normally adopted in qualitative research and involves a small group of participants carefully selected to contribute in the research process though topic discussion (Ketokivi & Choi, 2014). In other words, the researcher or researchers act as the host and carefully select the participants to form part of sample population and represent the large population the study is attempting to target. However, adoption of focus group requires skilled and experienced moderator with the ability to control and guide a discussion (Sutton & Austin, 2015). When conducted by inexperienced researcher, the discussion may get out of hand and focus on issues not related to the topic of the study (Sutton & Austin, 2015).

Questionnaire, on the other hand, is different from focus group or face-to-face interview because it is usually adopted in quantitative studies (Saunders et al., 2019). That assert that questionnaire is a study instrument that contains a set of questions used for collecting data and information from the participants of a study. Some researchers prefer questionnaire because it enables to collect accurate and complete data that follows a logical flow (Ketokivi & Choi, 2014). Moreover, the use of questionnaire limits Influence of researcher’s biasness from interfering with the research process (Sutton & Austin, 2015). However, questionnaires are inappropriate for this
study because they are useful when gathering data from a large research participants sample size (Ketokivi & Choi, 2014). Besides, questionnaires go hand in hand with positivism philosophy, inductive research approach, and quantitative data hence, not appropriate for the research study.

This research study utilises interviews when collecting data from interviewees. In the opinions of Sutton and Austin (2015) interviews involves a number of questions developed to collect qualitative information in different contexts. In this case, interviews are suitable for the current research as it helps the investigator in obtaining detailed data from participants’ perspective (Ketokivi & Choi, 2014). Precisely, the interviewer is capable of collecting experiences, opinions, and feelings of the participants concerning the HRM operations influence on the workforce performance at L&T. Additionally, interviews are chosen as the researchers can seek clarification on unclear points (Ketokivi & Choi, 2014). For instance, the researchers can seek for clarification on how competitive compensation and rewards motivates employees to work hard and improve organisational performance. Further, interviews are suitable for this study because they offer the chance to ask open-ended questions (Sutton & Austin, 2015).

For the sampling, it involves the selection of respondents who are interested in participating (Landers & Behrend, 2015). The two significantly found methods for sampling are Probability and non-probability techniques in social science researches. Saunders et al. (2012) point out that while probability sampling focuses on the random selection of respondents with a known possibility of being chosen, non-probability sampling technique chooses participants in a procedure that guarantees equal selection chances for the participants. In light of this, study implements non-probability technique of sampling, particularly the convenience sampling since it ensures participants are selected based on availability and the ease of access. Therefore, the managers at L&T in Finland will be accessed more quickly and easily at a minimum cost.

In collecting the data, it was easy to reach and access the participants because one of the researchers also works at L&T. As such, one of the researchers who works at the company approached the HR manager and explain the aims for the research. After understanding research significance and granting permission, the researcher asked the manager recommend or link the researcher with other employees. After that, the researchers then asked the human resource manager recommended four managers including, quality manager, cleaning and support manager,
service control manager, and customer resource manager. The selected employees were then briefed on the study purpose, objectives and objectives. The researchers and the employees then agree on convenient time for interview. Although some participants were interviewed through face-to-face, precautions were taken in line with Covid-19 guidance, while others were interview through telephone interviews. The study used 13 interview questions, responses recorded in the interviewer’s laptop to be utilized for analyzing the data. The schedule for each interview was of 30 minutes but mostly it took less time. Notably, the researchers used English to conduct the interview since all the research participants could communicate in English. The interview questions used in the study are designed according to the research objectives as shown in the Appendix 1.

The table below indicates the profiles of individuals who participated for the current study. They provided their details regarding department where they work at, position they occupy, and the duration they have worked at L&T. Although the interviewees provided their names during the interview, the research used alias to ensure anonymity.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Department</th>
<th>Duration of Work at L&amp;T (Years)</th>
<th>Position occupied at L&amp;T</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Customer resource</td>
<td>14</td>
<td>Customer resource manager</td>
</tr>
<tr>
<td>B</td>
<td>Quality control</td>
<td>2</td>
<td>Quality control manager</td>
</tr>
<tr>
<td>C</td>
<td>Chore workers</td>
<td>5</td>
<td>Assistant manager</td>
</tr>
<tr>
<td>D</td>
<td>Cleaning Business Unit</td>
<td>9</td>
<td>Service controller</td>
</tr>
</tbody>
</table>

### 3.3 Data Analysis

For analysing the hence collected qualitative data, researchers opted for thematic analysis that manually codes the interview responses. According to Vaimoradi et al. (2016), thematic analysis involves close examination of the collected data with the aim of identifying common codes from the participants’ responses. By identifying the codes, patterns across the interviewee responses
emerge as common themes on the HRM operations. Precisely, ideas that are similar regarding Influence of HRM operations on employee performance are used to create central themes. Prior to beginning a thematic analysis, the researchers would become comfortable with the data by reading and re-viewing it all, as well as by making their own notes to help them comprehend the data. The data must be coded in the second stage by highlighting or labelling certain words or groups of phrases that collectively signify anything. The codes, which indicate comparable phrases, were then used by the researchers to create themes. The researchers would then write while reviewing and defining the topics.

In the context of this research, responses such as competitive salaries, bonuses, house allowance, travel allowance, recognition, and promotions were categorised under the central theme of compensation and rewards. Similarly, responses like learning on the job, foreign language training, training on business skills, cross-cultural training, formal education, and capacity building were considered under the key theme of training and development. Nonetheless, responses such as referrals, merit-based recruitment, job experience, internal recommendation, job adverts, discrimination during recruitment and employment agencies were categorised under the central theme recruitment and selection. Thereafter, the researchers discussed these common themes by comparing them with the findings from the existing literatures to come up with general conclusions on influence of HRM operations L&T employees’ performance. A detailed data analysis is presented in Appendix 2. Notably, no software was adopted or employed during the data analysis.

3.4 Research ethics

Since the study has taken place in the social science aspect where the researchers and participants interact, there is need to protect the integrity and privacy of research subjects during the study period (Bryman & Bell, 2015). The researchers adhered to these ethical guidelines. Firstly, through explaining the research objectives, aims and purpose, the investigator obtained participants’ consent. The informed consent was sought by asking participants if they are willing to take part voluntarily. Secondly, the respondents were assured of the aspect that the information gathered will only be utilised for study purpose in order to guarantee confidentiality of the information that they provide. Thirdly, the researchers ensured anonymity, and privacy of the participants as they were not asked their personal information. Even though some participants went ahead and
provided such information without solicitation, they were not used in the research as the researcher used pseudo names or aliases. Fourth, the collected data was encrypted and stored securely to ensure the confidentiality and privacy of participants’ data is achieved. In addition, the respondents were given a liberty to exit the interview process at any point of time where they are not comfortable with any part of the process. Finally, the respondents were accorded utmost respect during the interview process.

3.5 Chapter summary

The current chapter has revealed that the research utilized the interpretivism philosophy, inductive approach, case study research strategy, and qualitative research design. Furthermore, the chapter also explained that interview was implemented as the data gathering instrument because it was suitable and corresponds with the design of the research as a qualitative study. Consequently, the study used non-probability sampling technique that it used to select participants from L&T. It was easy to access the participants because they were colleagues of the researcher. Finally, the chapter use thematic analysis technique to evaluate data collected from the participants and presented some of the ethical practices observed during the study.

4. Findings and Analysis

This section focuses on presenting the findings as obtained from the data gathering and analysing them in correspondence to the core objectives for the research. To analyse the data, the study adopted thematic analysis technique because it is consistent with the interview questions and the research design. On this background, the chapter undertakes detailed analysis of the responses with respect to research objectives which includes the HRM operations adopted by L&T. Finally, the chapter offers overview of hence established research findings during the current study.

4.1 Impact of reward and compensation strategies on performance of workers

Based on the data from the participants, a common theme emerging from majority of the participants is that L&T adopts performance-based reward, credit card, and yearly bonus. As such, it is clear that L&T adopt various compensation and rewards strategies to influence the performance of their employees. For instance, interviewee D point out: “L&T has a lot of resources
to train their staff, we also have a bonus system which is based on key figures of the company as a whole as well as individual success of performance “Similarly, interviewee C said, “Well, they are individual-specific like if we get to the end year we get to reach the results of quality like the end of last year we get credit cards.”

It appears the response by interviewee C about the compensation being individual-specific was reaffirmed by interviewee A who noted that the bonuses provided at the end of the year are the most appealing. Specifically, interviewee A recounted that,

“Um, I and my group are having a bonus once a year and it happens four times a year. For example i can give one of the name to the company for example pia and she will be chosen for cleaning for the first project.”

However, the response from interviewee B was quite different from others and maintained that the compensation is different for their department where customers tend to pay more when offered quality service and each cleaner who demonstrates excellence is awarded. In particular, the interviewee maintained that, “We have customers who pay more if we offer quality and, of course, we have our program where we award one cleaner who has done a good job.”

When asked whether the bonuses and salaries adopted by L&T to motivate and improve employees’ performance are fair, competitive, and equitable, all the interviewees agreed that the existing compensation and reward strategies positively influence employee performance except interviewee C who thought that the strategies should be improved. However, some of the interviewees who recognized the positive influence of existing compensation strategies also acknowledged the strategies needs improvement. Interviewee A said, “Kind of yes and kind of no. Different groups have different ways they receive their bonus and we cannot perfect on everything but we try there is a system in the company.” Interviewee B added that, “It depends on the places where they are working because different customers have different contracts and we try to buy something small like ice cream or coffee and appreciate them.”

It is evident that although interviewee B seem to acknowledge that the existing compensation strategies such as competitive salaries and bonuses affect employees performance, it all depend
on the department or place of work because sometimes they have to complement with ice cream or coffee to make them feel appreciated. Compared to other participants, interviewee D seemed convince that compensation practices at L&T are effective in influencing employees’ performance.

In particular, the interviewee maintained that, “Absolutely, all members of staff has their roles and responsibilities listed very well and all performance is measured by these. All possible bonuses and other compensations are based on this success. Possibility to get schooling individually based on your tasks and needs, keeps me motivated.”

However, interviewee C maintained a different perspective failing to acknowledge whether the additional compensation practices positively influence employee performance, but pointing that the existing compensation policies need to be improved to realise the desired outcome. The interviewed explained that, “Maybe still need to be improved or something we can do better maybe someone is doing a good job they need to increase the rates because of quality.” Therefore, it is evident that participants maintained varying views regarding Influence of compensation practices. It is also coming out clearly that some of the employees believe that more need to be done concerning the existing compensation strategies besides salary and bonus. Nevertheless, most of the participants believed that salaries and bonuses greatly influence the performance of employees at L&T. Furthermore, the data from the participants have shown that besides the compensation and reward strategies used by the organisation, the company has fair and competitive compensation policies that allow departments and managers or supervisors to decide on how to reward employees in their respective departments.

In relation to other strategies for rewarding employees that can be adopted by L&T for the improvement of staff performance, it is clear that training and paid education are common themes present in the responses provided by the participants. For instance, interviewee C said that, “For me, I get to plan my work and working hours that freedom I have. Training and paid education.” Similarly, interviewee D acknowledged,

“Apart from the annual bonuses, training is the most rewarding policy to me. L&T also reward members of the staff as “quarterly employee” 4 times a year. Also all business units can reward their staff freely.”
However, interviewees A and B responded differently to the question on other rewards strategies adopted by the company. In particular, the participants failed to identify other strategies used by the organisation besides the compensation policies. Specifically, Interviewee A said that, “Actually, we don’t have any but we have good conduct like you have done a good job you get an appointment.” Although the respondent failed to recognise other reward strategies, she admitted that the department always recognise well-performing employees and give them promotions. Interviewee B also maintained almost similar sentiments regarding other reward strategies used by L&T besides the official compensation policies by insinuating that as a manager he always try to motivate employees through buying them ice cream or candy as well as receiving bonuses from customers. The interviewee said that, “For me when we have teams I try to buy candy or ice cream. With customers, I can get bonuses and the quality has to be good.”

Thus, it is clear that some employees of L&T believe that training and paid education as other strategies offered by the company are essential in motivating employees into improving their performance. However, other employees or managers at L&T feels that the company does not have strong reward strategies besides the official compensation policies. In particular, some managers pointed out that they often have to find other ways of rewarding the employees under their supervision such as offering ice creams or candy. Therefore, the company may need to streamline its rewards strategies that are not captured within its formal compensation policy.

4.2 Impact of development and training practices on staff performance

The participants were also asked on how L&T undertakes development and training of its workforce in enhancing their performance and they offered varied opinions. However, interviewee A, C, and D maintained almost similar perception about training at L&T. The theme emerging from the response from these interviewee is that all employees must undergo training at the beginning of the employment tenure in the company. Moreover, the interviewees also pointed out that L&T use training system known as POLKU training that can be undertaken online using laptop or mobile. For instance, interviewee D said that:

“All new employees must take part of POLKU-training, where we go through all key elements of Lassila & Tikanoja. Then based of the work you do, training takes place and takes two
to a month. All training takes place in the online environment and can be done via mobile or laptop.”

Similarly, interviewee A also opined that the training system is used by the company and instrumental in helping the employees learns about machine and equipment use. Specifically, the interview said that:

“Yeah. We have this system that every employee is receiving like training on how to use machines and use different types of equipment. But of course, we have a trainer as she teaches on equipment like cleaning services for health care and environmental cleaning.”

Although the response of interviewee C also recognized the existence of a system or application, the participant pointed out that the training is specific to the position occupied by the employee. In other words, the kind of training provided is certainly dependent on the job description of individual employees when they are hired. The interviewee maintained that,

“They are always trained from the position they have been hired it’s a company policy everybody should get enough training like the contract says. Every new employee has to do the tasks before they start to work. They have to learn from our application and will placed on places they applied.”

As the quality manager, interviewee B presented a different view by alluding that the department is planning to introduce new training programs for employees at the quality control department. The interviewee said, “We are starting a new program this summer and we are having them in one place to train them about their work.”

This is clear indication that besides the training that employees undergoes at the initial stage of employment, L&T use different training program specific to the department. This coincides with the view given by C who maintained that employees’ training is aligned to their positions in the company. Given that all the four participants came from different department and they have given varying responses regarding training methods, it can be argued that apart from the entry level training offered to all employees at the beginning of their employment, every department has
different training program specific to their departmental requirement or tasks. Although most of the employees did not acknowledge whether training offered by L&T improves employees’ performance, interviewees acknowledged that the kind of training offered by the organization certainly affects their performance.

Concerning other ways that L&T improve employees’ performance in the context of training, most of the participants identified cultural training and cultural background of the employees as essential aspects considered when performing training or when assigning jobs. According to interviewee A, the cultural training is accomplished by offering the training in different languages including Swedish, Russian, and English. Essentially, the interviewee said that, “They teach in different languages English, Russian, and Swedish. I am not sure of the question maybe we have something different.”

Furthermore, interviewee B and C acknowledged that culture is an important aspect of the training offered to the employees at L&T in Finland. For instance, interviewee B noted that, “We have cultural training and you can get help from me or your supervisor.” Likewise, interviewee C pointed out that, “All employees are equal and we take culture into account and decide what job we have to offer but otherwise, everyone is equal.” To that extent, it is plausible to argue that cultural training plays an essential role in affecting employees’ performance because they are able to get the training in language they understand best. Interviewee D did not identify cultural training but provided a vivid explanation on how other training practices at L&T could affect employees’ performance. In particular, the interviewee explained that,

“We have very hands on training where we make sure all employees know how to work safely and properly using the right techniques and according to instructions. You are trained to perform according to your work tasks.”

Based on this response, it is possible that employees at L&T are able to perform their tasks well and enhance their performance because the training is carried out based on their specific job requirement. More importantly, the training is provided equally to all employees without any special treatment or favour.
Concerning how human resource at the company develops its workforce to enhance their performance, the participants offered varying opinion with measurement of employee satisfaction, reviews, and feedback as some of the methods used by the organisation. For instance, interviewee D explained that by measuring the satisfaction level of employees twice a year, the organisation is able to provide feedback that the employees can use to develop themselves because it help them identify areas of weakness. Further, the participant explained that supervisors can recommend training for employees when the feedback shows that they need further improvement. The interviewee mentioned that,

“We measure employee satisfaction twice a year and all supervisors must go through training to improve their skills based on the survey. We encourage all employees to get schooling to improve their performance.”

Similarly, the views of interviewee C corresponded to the opinions of D by noting that employees receive satisfaction feedback or review twice a year and they can use the same improve themselves, thereby developing in the process. Specifically, the interviewee states that, “We send every employee twice a year a satisfaction letter and the supervisor will get their feedback anonymously.” However, interviewee B maintained a different view by explaining that the department develops its employees through making it easy to access and reach supervisors or managers for guidance. In particular, the interviewee said that, “We try to be easy to reach them and we offer support for anything they may need.” Thus, even though L&T seem to use satisfaction level reports, feedback, and reviews as a way of helping employees develop, departments are free to use different methods such as guiding employees to help them develop. These findings show that L&T adopts various training and development practices.

4.3 Impact of selection and recruitment strategies on employee performance

Concerning the influence of selection and recruitment strategies on employees' performance, participants were asked some of the ways through which L&T select new candidates while trying to improve the performance of its employees. Concerning selection criteria used to select new candidates, interviewee D explained that the selection of new candidates at L&T is mostly based on merit because specific candidate must meet the criteria set for the position they are seeking in the company. Specifically, the interviewee mentioned that, “New employees must meet certain
criteria to be selected as employees. Depending on the task you are applying to. Certain applicants must go through aptitude testing when applying.” Similarly, interviewee C maintained that L&T select candidates through interviewee where the company is able to see the candidate applying for the job and determine if he/she is qualified for the position. In particular, the interviewee narrated that, “We do an interview and we can see the person applying for the job and how they communicate and also people they might not like.”

However, interviewee B maintained a different view noting that the organisation or recruitment team ensures that the candidates that they will be guided at the beginning of their career at the company before being left alone to continue with their respective roles. The interviewee said that, “We try that no one starts to work alone and they will be left alone after they are okay.”

Still on the issue of selection and recruitment, the participants were asked to identify other selection strategies used by L&T to improve employee performance besides using merit-based and relying on the experience of the candidates. English as a requirement for the candidates seemed to be an occurring theme from the participants. In particular, interviewee A mentioned that English is an essential consideration because the candidates are expected to be able to communicate in English. However, the participant also noted that candidates who qualify for the position but are not fluent in English can be trained. The participants said, “Communicating English is a must but also we have people who cannot speak English but you don’t need the experience because you can be trained.”

Communicating in English as a requirement for new candidates is also a commonly observed trend in the responses provided by interviewee C and D. More importantly, it is also clear that the organisation also do not disqualify candidates because of their inability to communicate in fluent English because participants admit that English training is offered to such individuals. For instance, interviewee C recorded that, “Communicating English is a must but also we have people who cannot speak English but you don’t need the experience because you can be trained.” Similar sentiments were shared by interviewee D who explained that,
“A lot has to do with the person, Finnish language is not a must, but the person must be able to communicate clearly in English. Even if you have no prior experience with it. Cleaning, it does not mean that you are not suitable. If you have “I can do” attitude and you are willing to learn, you are absolutely a possible candidate.”

Based on their responses, it is apparent that L&T also considers the candidate’s attitude and ability to learn in selecting the candidates. As the interviewee puts it, the probability of being selected by L&T to certain extent dependent on the person. Therefore, the company considers English fluency and attitude of the candidate when recruiting employees for various positions in the organisation.

Subsequently, the participants were asked to identify some of the recruitment practices adopted by L&T that could contribute towards improving performance of the staff. Considering their responses, the company usually use video and physical interview as the recruitment method. In that regard, interviewee D mentioned that L&T adopts various strategies including interview for external candidates and internal recruitment. Further, the interviewee pointed out that the company adopts both video and physical or face-to-face interview. The interview said, “Video interviews are in use, which gives us a face and tells us about the person lot more than only a written application. We in Jyväskylä are lucky – we have an in house recruitment team.”

In addition, interviewee C affirmed that the company adopts video interview making it a common theme. In other words, recruitment through video interview is a common theme as most participants identify it as the most commonly used recruitment strategy. This evident in interviewee C responses, which explained that, “Well, I think video interviews and also social media are now advertising a lot of work like Facebook.”

However, interviewee B brings a different perspective by pointing out that the company sometimes have a team whose main job is to look for employees by visiting different regions in search for suitable candidates. Specifically, interviewee B said that, “We have people who are looking for employees for us and also we tell the regions and the requirements and they will pick the suitable employee.”
Nevertheless, interviewee A explained that some employees who do online jobs are often recruited through online platforms while others put commercials advertising about the positions. The interview said that, “We have people who do online jobs. Like Ellena she does jobs and we run commercials.”

Although the response by interviewee A does not speak specifically to recruitment process but more to selection strategy, it elaborates the entire process employed in an organization for selecting and recruiting new talent in the company, especially in the cleaning and support service department. This points to the variety of strategies used by L&T in recruiting its potential employees.

When asked some of influences of the HRM operations adopted by L&T on employees’ performance, the majority of the participants including A, C, and D acknowledge Influence of HRM operations used by L&T on employees’ performance. Interviewee D argued that the HRM strategies used by the organisation ensures employees well trained and their welfare considered, thereby ensuring that they can work safely and give their best. That is,

“Human Resource plays a big part in the L&T strategies. L&T pays a lot of attention to welfare and training of all employees, making sure our employees can do their work safely and the right way. Human resource is the starting point of all this when recruiting new employees.”

The same sentiment was affirmed by interviewee C who maintained that, “Human resource plays a part in L&T strategies. They pay attention and welfare training on employees ensuring the employees can work safely.” Different from other participants, interviewee B believed that working as a team could enhance the performance of employees and it should be one of the strategies that can be employed by L&T. In particular, the interviewee said that, “We have to work as a team everybody is very important we have different jobs but we have to work as a team.”

Therefore, the responses from the participants seem to suggest that performance of employees at L&T is certainly influenced by the HRM operations employed there in. However, the data suggested that the company can also focus on other strategies such as fostering a teamwork environment because it contributes towards enhancing the performance of the workforce.
4.4 Suggestions on effective HRM strategies that can be used to improve employee performance

Finally, participants were asked about any suggestions they can provide to help the company improve performance of its employees, especially the most effective HRM operations that L&T can use. Notably, the participants offered varied opinions. For instance, interviewee D recommended that the organisation should undertake more cross-cultural training to ensure a multi-cultural environment in the company. Moreover, the participants pointed out that implementing HRM operations that encourage team work could lead to high performance from employees. The participant said that, “I would like to see even more cross cultural environment in the future and wish for us all to think outside the box. I truly believe that we can learn from each other when working as a team.”

The aspect of training was also presented by interviewee C who admitted that employees can use the time when they do not have work to undergo some training that could result in better task performance. In particular, the interviewee said that, “I think that staff takes more time at work like watching movies. They are happy but out of the work so that they can use the time do something else like training.”

Although interviewee B affirmed the assertion or opinion of D and C, she is specific about what needs to be and how it should be done. In other words, the interviewee explained that through the use of teams, the organisation teach and train employees about new machines to increase adaptability, thereby leading to better or “quicker” performance. The participant explained that, “I think that for example, what I hope to do in the future when we have a team we can teach them about new machines and they are changing quickly and am hoping they can bring to you quicker.”

However, interviewee A maintained a different view from other participants explaining that apart from the existing HRM operations, the organisation also has a system where each employee have fifty minutes a week to do what they like or visit places of choice. Afterwards, they can discuss or talk about it every Friday morning. In the view of the interviewee, this strategy of practice is effective because it makes employees engage in other activities besides making concentrate more on work and look forwards to the weekend. The participant said,
“We have a cool system like I have 50 minutes a week to do what you like and we go out to a cultural resort. Depending on the previous month we can determine what we will do next month. On Friday morning we talk about it and look forward to the weekends. And meetings are important although cleaners hold theirs once a week and everybody needs to attend because they update about customers. Small or big are very important.”

Based on these responses, the interviewees believe that introducing more training and encouraging teamwork in the organisational have high probability of influencing the performance of the employees. Although some participants specified cross-cultural training, others believe any form of training including machine learning can make employees more prepared to adapt new changes, thereby improving their performance. More importantly, interviewees such as D believes that whichever HRM strategies employed by the organisation, it should be aimed at developing a cross-cultural environment. Therefore, the organisation needs to introduce more training to enhance their skills and foster teamwork to guarantee cohesion as well as collaboration that could lead to improved performance among the employees.

5. Discussion and Conclusion

The chapter focuses on discussing the managerial implications of results and compare them to past extant literature that explored how employees’ performance is affected by HRM operations. Furthermore, the chapter also suggest effective HRM operations and policies that can be used by HR manager at L&T to enhance performance of their employees. The suggestions are not restricted to L&T because they can also be applied by other organisations operating in Finland and interested in improving performance of their employees. Finally, this section provides restrictions or limitations encountered by the study and suggestions that should be considered by future researcher exploring the same phenomenon.

5.1 Impact of reward and compensation strategies on workers’ performance

Considering findings as established in the previous chapter, the research conclude that competitive, fair, and equitable bonuses, salaries, and allowances adopted by the organisations in Finland positively and significantly influence the performance of workforce. More importantly, the research infers that providing employees with compensation such as credit card, yearly bonus, and
performance-based reward motivate them to complete their work. Similarly, Khudhair et al. (2020) realised the similar findings when they reported a effective relationship between workforce performance and the corresponding HRM operations employed in the organization. Further, the researchers argued that employees expect competitive compensation packages that meet their personal and professional needs. Although the strategies identified by Khudhair et al. (2020) are different from the ones specified in the current study, implying the research is significant in contributing to the broader literature through offering additional compensation packages such as yearly bonus, performance-based reward, and credit card which when employed can help in motivating and improving the productivity and performance of the workforce. Besides, Al-Qudah et al. (2014) conducted a research and they found that compensation attached to the individual employee performance lead to developing a constructive influence on their productivity. However, the present study extends further and offers the importance of salaries and bonuses on the productivity of employees.

Concerning rewards, the study summarises that rewards strategies implemented through paid education and training lead to developing a pragmatic influence on the productivity levels and the extent of performance of the staff. The research concludes training staff and paid education as a reward strategy expand and increase employees’ skills and knowledge increasing their ability and capacity to deliver quality work at a faster rate. Thus, it can be inferred that rewards strategies such as paid education and training affect the productivity and performance of the workforce. These results are congruent with the assertion of Darma and Supriyanto (2017) when they noted that non-financial rewards are instrumental in influencing employee performance. Although the authors identified different reward strategies from the current study, this report contributes to the extant literature by offering additional reward strategies that are helpful in influencing the performance of the staff.

5.2 Impact of development and training on staff performance

Corresponding to results, the research concludes that developing and training staff effectively contributes to their performance. Particularly, the study encapsulates that employee’s entry training and ongoing training during his/her tenure at the organisation is instrumental in affecting their job performance. Furthermore, the research determines that training employees is essential because it updates their skills especially when the use of various machines is involved. In addition,
the research summarizes that training is also more effective when tailored to each employee depending on their job description or the functions of the department. These findings are in agreement with those of Feng (2017) who noted that training and developing employees effectively tend to positively influence the workforce’s performance. However, the findings from this study offers crucial insights on the research topic as it explains effective strategies that organisations should adopt when developing and training their workforce. Precisely, the study by Feng (2017) did not pay attention to the significance of entry level training and the need to tailor training on employee performance on the part of expatriates. These new findings are outlined in the current research and as a result, enrich the general literature.

Moreover, these findings obtained from employees of L&T plays part in the broader knowledge through outlining the specific training strategies and when they should be conducted during the tenure of the employee in the organisation. By identifying systems such as POLKU training system used by L&T where employees can take online training, the research highlight the importance of developing a training system specific to the organisation. The findings also resonate well with those of Debrah and Rees (2011) who concluded that training and development practices adopted by HR managers influence employees to achieve their goals. This research further enriches these findings by providing further details based on the training and development programs that HR managers for organisations should adopt to encourage employees to increase their efforts to realise the organizational performance.

5.3 Impact of recruitment and selection on workforce performance

The findings corresponding to collected data from the participants, evidently represents that adopting effective recruitment and selection strategies contributes to better employee performance. Particularly, the research summarizes that organisations such as L&T use merit-based, English language proficiency, and interview as the selection strategy for selecting employees. The strategy helps the company in selecting competent employees who have the capability to deliver on the assigned roles. As such, the study infers that candidates that meet the job requirement, fluent in English language, and pass the interview tend to be selected as employees of L&T. The results realized from the current research seem to reaffirm those obtained by Ekwoaba et al. (2015), Oaya et al. (2017) and Bakhashwain and Javed (2021), which reported that improved employee performance is realized when an organisation adopts effective selection
and recruitment strategies. As these studies pointed out, the use of interview, language competency, and meritocracy during the selection and recruitment, the current study adds into the wider literature by indicating the key strategies of enhancing employee productivity.

Concerning employee performance, the study summarizes that when organisation adopts effective HRM operations and strategies, the individual employees’ performance are influenced. Considering the findings obtained, it is possible to conclude that HRM strategies that guarantee proper training to employees in addition to their welfare often influence the employees’ performance. Furthermore, the research ascertain that L&T use various HRM strategies to positively influence the performance of its employees. These results seem to agree with those obtained by Smeenk et al. (2008) that using appropriate and effective recruitment and selection strategies lead to constructive and direct influence on the employees’ workforce. From the research study, these selection and recruitment criteria have been proved efficient in improving workers’ performance. Additionally, the findings from the data are consistent with the findings by Babarinde (2021) who showed that effective selection and recruitment strategies significantly improve the employee performance. Of importance, this research offers a comprehensive and elaborative selection and recruitment practices on the performance of the staff, making it relevant to organisations in Finland.

5.4 Effective suggestions on HRM strategies that can be used to improve employee performance

Based on the above conclusion and findings from participants, this research provide various suggestions that can be adopted by L&T to further enhance employees’ performance. The study suggests that more cross-cultural training in the organisation to ensure multi-cultural environment. The organisation hire people from different cultural environment implying that cross-cultural training will ensure the employees understand cultural background of their colleagues, thereby enhancing cohesion contributing to their superior performance. In addition, the research suggest that L&T should adopt strategies that foster teamwork to improve employee performance. Particularly, the organisation can train employees in teams to ascertain the scope of adapting to new changes quickly, especially changes brought by new machines and equipment.
The research also suggests that L&T should add more time to the 50 minute system as a method that help in enhancing the employees’ performance. Moreover, the findings have shown that employees find the system appealing because it not only provide them with time to do what they like, but also grant with the opportunity to discuss the things they did or places visited. The research argues that such system not only foster cohesion and teamwork among employees, but also make the employees rejuvenated to handle their tasks with enthusiasm. Although the strategy or system is unique to L&T, other organisations in Finland can implement the same because it seems motivate employees with respect to the findings. Therefore, the study maintains that introducing more training and encouraging teamwork in the organisational have high probability of influencing employees’ performance. These practices lead to showing a constructive and significant influence on employees’ performance.

5.5 Research limitations and suggestions for future studies

Firstly, the interviews were conducted for a shorter time during the data gathering process. This means that sufficient data was not collected because of time constraints since the participants were only available for limited time limit. In resolving this, future research should allocate appropriate time enough for data gathering. Secondly, the research study only utilised interviews as a data gathering method despite its limitations of lowering research and reliability and validity. Consequently, future research studies must incorporate questionnaires in addition to interviews which would intensify the results by analyzing the observed weaknesses that remains here within the current research. Finally, only four interviewees participated in the research study yet L&T has many employees. Even though this is a good number for qualitative study, this lowers the validity and reliability of the research. Moreover, the small population sample limits the representability of the results as the study could easily be criticised, especially on the aspect of credibility and reliability. As such, future studies should use a higher sample of the population to increase the representativeness, hence achieving reliability of the results.
References


Appendices

Appendix 1. Framed interview questions relative to Research objectives

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<thead>
<tr>
<th>Objectives</th>
<th>Questions</th>
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<tr>
<td>1. To ascertain influence of HRM compensation and reward strategies on employee performance</td>
<td>1. For how long have you been with L&amp;T?</td>
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<td>2. What is your position and department in the organisation?</td>
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<td>3. Can you share some of your thoughts on the compensation practices utilized by the human resource to improve your performance?</td>
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<td></td>
<td>4. You mentioned allowances, salaries and bonuses as compensation practices provided to employees, do you consider the compensation policies as competitive, fair and equitable to encourage staff to enhance their performance?</td>
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<td>5. Apart from the compensation policies, what are some of the reward strategies adopted by L&amp;T to improve your performance?</td>
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<td>2. To ascertain Impact of development and training on workforce performance</td>
<td>6. How does L&amp;T conduct training to improve the performance of its new employees?</td>
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<td>7. Apart from cross cultural training and foreign language training that you mentioned, what other ways do L&amp;T use to enhance staff performance?</td>
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<td>8. In what ways do the human resource at L&amp;T develop its employees to improve their performance</td>
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<td>3. To investigate Impact of selection and recruitment strategies on staff</td>
<td>9. How do L&amp;T select new candidates to</td>
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<td>Question</td>
<td>Answer</td>
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<td>10. You mentioned merit based and experience of employees as the selection strategies used by human resource management, what other selection strategies does L&amp;T use to improve ensure employees perform on their jobs?</td>
<td>11. What are the recruitment practices adopted by human resource management at L&amp;T to improve employee performance?</td>
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<td>12. In your opinion, what are Impacts of HRM on workforce performance at L&amp;T?</td>
<td>13. Finally, which effective international human resource management practices can you suggest to the human resource management at L&amp;T to improve employee performance</td>
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<td>4. To suggest effective HRM strategies that can be used to improve employee performance</td>
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## Appendix 2. Codes and Themes according to Interview Excerpts

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<tr>
<th>Interview Excerpts</th>
<th>Code</th>
<th>Themes</th>
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<tr>
<td>Interviewee D said that ‘Absolutely, all members of staff has their roles and responsibilities listed very well and all performance is measured by these. All possible bonuses and other compensations are based on this success. Possibility to get schooling individually based on your tasks and needs, keeps me motivated.’</td>
<td>Compensation, salaries, and bonuses</td>
<td>Compensation practices</td>
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<td></td>
<td>Keeps me motivated</td>
<td>Employee performance</td>
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<td>Interviewee C opined that ‘For me, I get to plan my work and working hours that freedom I have. Training and paid education.’</td>
<td>Training, paid education</td>
<td>Reward practices</td>
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<td>Interviewee D said that ‘All new employees must take part of POLKU-training, where we go through all key elements of Lassila &amp; Tikanoja. Then based of the work you do, training takes place and takes two to a month. All training takes place in the online environment and can be done via mobile or laptop.’</td>
<td>Special training system</td>
<td>Training practices</td>
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<td>Cultural training</td>
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<td>Interviewee B said that ‘We have cultural training and you can get help from me or your supervisor.’</td>
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<td>Interviewee D said that ‘New employees must meet certain criteria to be selected as an employees. Depending on the task you are applying to. Certain applicants must go through</td>
<td>Merit criteria, Task-based</td>
<td>Selection and recruitment</td>
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Interviewee A said that ‘Communicating English is a must but also we have people who cannot speak English but you don’t need the experience because you can be trained.’

Interviewee D said that ‘Video interviews are in use, which gives us a face and tells us about the person lot more than only a written application. We in Jyväskylä are lucky – we have an in house recruitment team.’

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<tr>
<th>aptitude testing when applying.</th>
<th>English proficiency</th>
<th>Selection and recruitment</th>
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<tr>
<td>Interview</td>
<td>Interview</td>
<td>Selection and recruitment</td>
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