

**Different Trends that are Driving the Future of Human Resource
Management in Finland Within the Public Sector**



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Abstract

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Public sector personnel managers are currently using different strategies and operating models to respond to today's challenges. The role of human resources management is critical in the public sector, as organizations need to be able to recruit, train and maintain trained workers. Public sector organizations must therefore be prepared to adapt to the challenges of future human resources management.

In the future, in the public sector, human resources management must be able to respond to changes and new challenges. This includes the ability to develop and maintain a diverse and inclusive organizational culture that attracts and binds trained workers. In addition, human resources management must be able to respond to the rapid development of technology and its impact on working life.

The purpose of this study is to find out how separate megatrends affect the future of public sector personnel administration. The study defines megatrends in the sector and their importance. The study addresses the opinions and views of experts in the field and examines the subject also through a written sources and analysis based on literature. Views were collected by face - to - face interviews, using techniques that gathered the answers and produced an analysis according to the themes found in the interviews.

As a whole, the purpose of this thesis is to provide information on future prospects, so that personnel in the human resources management of the public sector can meet the challenges of the future. The study shows that if trends are not taken into account, the human resource management of the public sector will face major challenges in the near future.

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Julkisen sektorin henkilöstöhallinnon toimijat käyttävät nykyisin erilaisia strategioita ja toimintamalleja vastaamaan nykypäivän haasteisiin. Henkilöstöhallinnon rooli on kriittinen julkisella sektorilla, sillä organisaatioiden on pystyttävä rekrytoimaan, kouluttamaan ja pitämään yllä koulutettuja työntekijöitä. Tämän vuoksi julkisen sektorin organisaatioiden on oltava valmiita sopeutumaan tulevaisuuden henkilöstöhallinnon haasteisiin. Tulevaisuudessa julkisella sektorilla henkilöstöhallinnon on oltava kyvykäs vastaamaan muutoksiin ja uusiin haasteisiin. Tähän sisältyy kyky kehittää ja ylläpitää monipuolista ja inklusiivista organisaatiokulttuuria, joka houkuttelee ja sitouttaa koulutettuja työntekijöitä. Lisäksi henkilöstöhallinnon on kyettävä vastaamaan teknologian nopeaan kehitykseen ja sen vaikutuksiin työelämään.

Tässä tutkimuksessa on tarkoituksena selvittää miten erilliset trendit vaikuttavat julkisen sektorin henkilöstöhallinnon tulevaisuuteen. Tutkimuksessa määritellään alan trendit ja niiden merkitys. Tutkimuksessa tartutaan alan asiantuntijoiden mielipiteisiin ja näkemyksiin sekä tutkaillaan aihetta myös kirjallisen lähteen kautta, kirja analyysin pohjalta. Näkemykset kerättiin kasvokkain tapahtuvalla haastattelu – tekniikalla, joiden vastaukset kerättiin yhteen ja joiden pohjalta luotiin analyysi haastatteluista löydettyjen teemojen mukaisesti. Kokonaisuutena tämän opinnäytetyön tarkoitus on tuottaa tietoa tulevaisuuden näkymistä, jotta julkisen sektorin henkilöstöhallinnon toimijat kykenevät vastaamaan tulevaisuuden haasteisiin. Tutkimus osoittaa, jos ei trendejä tulla ottamaan huomioon, tulee julkisen sektorin henkilöstöhallinto kohtaamaan suuria haasteita lähitulevaisuudessa.

Avainsanat HR, Julkinen sektori, Megatrendit

Sivut 33 sivua ja liitteitä 2 sivua

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1 Introduction

Human Resource Management (HRM) is the practice of supporting and managing employees in every aspect of their work life cycle, from recruitment and hiring to professional development and retirement benefits. Also, human resources management handles terminations of employment and assist in pension matters. (Chai, 2020)

The author of this thesis completed a study-related internship in a medium-sized city in the Human Resources Management department. The author discovered that in most cities of the same size, the functionality of human resource management, for example the goals and views of human resource management, had only been designed on the basis of the cities' own coherent strategy. In terms of time, this means that the views and challenges of HR were only taken into account as a small part of the overall strategy and about 2-4 years ahead.

The author delved deeper into whether the future of human resource management has been taken into account or discussed more extensively in other similar studies. As a result of a succinct investigation, it was found that a more extensive study of human resources management in the public sector alone had not been carried out. There is also Megatrends have been considered when conducting research. Inspired by this, the author decided on a thesis topic, which investigates specific trends that may determine the future of HRM in the future.

The thesis is commissioned by Local Government Employees, Kuntatyöntajat (KT), and the study is carried out for members of the HR network maintained by Local Government Employees, which includes members of several public sector HR professionals.

In this thesis, the framework is collecting data based on written sources and conducting expert interviews. Additionally, the author interviewed 4 of the HR management professionals in the public sector. In order to obtain spontaneous and reliable answers, interviews were conducted face-to-face, one-to-one and anonymously.

The biggest challenge and limitation of the research was initially the fear that a high-quality written source could not be obtained, as exclusively accurate research has not been conducted of the subject. There is a comprehensive amount of data on the future of HRM from very high-quality sources, however the materials mainly concern the entire HRM field, including the private sector. Another initial challenge was the concern that the interview would not collect insightful responses or that the quality of the replies would be limited, like the author has noticed that currently there is not any research on post-pandemic public sector HRM related studies concerning Finland. In the end, the author has managed to get enough interviews for this research.

1.1 Objectives

The Objectives of this research aims to provide valuable insights into the potential changes of Human Resource Management (HRM) in the future in the public sector in Finland. By exploring the factors that are driving changes in HRM, HR professionals can better understand the current landscape and make informed decisions about how to shape the future of HRM in their organization. This information will be critical for HR professionals to stay ahead of the curve and adapt to the changing landscape of HRM. By understanding these different changes and trends, current and upcoming employees can be trained more efficiently, which will provide employers with a reliable and proficient workforce. This will help keeping competency and sustainability for business within the organization and ensuring that employees are engaged and have a positive experience while working for the organization.

The research also aims to provide a comprehensive understanding of the various trends that influence HRM field in the public sector in Finland. As well as taking into account megatrends and when planning HRM strategy. This includes analyzing the role of technology in HRM and impact of globalization.

As the importance of employees and a supportive work environment continues to grow, the significance of HR staying up to date with the latest trends and technologies cannot be overlooked. Outdated knowledge and skills within the HR department can result in considerable problems within the organization. It is vital for HR professionals to stay abreast of the latest developments in the field so that they can strategize and plan effectively to ensure that the organization remains competitive.

Especially since the outbreak of the Covid-19 pandemic, which affected societies worldwide, organizations and working communities, it has been found that the future will be more central to technology, which will also create major new challenges for public sector HR departments in order to respond to the growing deployment of technical equipment and tools. As not all employees come from the same mold, it is important for human resources management to develop technical tools to enable them to be used by any member of the organization regardless of their background. (Andersson et al., 2021)

The author recognizes that the training and on-boarding of employees play a crucial role in creating a positive and engaging work environment. Organizations which invest in their employees' training and development can gain significant benefits, including keeping workers in organization, increased productivity, and generate a positive work culture. By analyzing the factors that contribute to successful employee training and on-boarding, HR professionals can ensure that employees are well-equipped to succeed in their roles and contribute positively to the organization.

1.2 Commissioning company

The commissioning company of this study operates within the public sector. The local government employers, Kuntatyöntajat (KT) are employers' organizations in the local government sector, such as cities, counties and welfare areas whose tasks are defined by the law. KT promote the benefits of municipalities, joint municipal authorities and welfare areas

in the labor market. KT is also a labor market center organization representing their members in national labor market negotiations and tripartite cooperation. (Kuntatyöntajat, 2022)

Centralized supervision of employers' interests began in the municipal sector in 1970, when the law on the municipal delegation of KT's predecessor came into force. The Act was revised in 1987 when the municipal contract delegation became a municipal labor market institution and in 1993 when KT became part of the Association of Finnish Local and Regional Authorities. (Kuntatyöntajat, 2022)

The purpose of the HR network of KT is to bring together the employers' and employees' representatives. The network provides a platform to develop personnel management and personnel work in a strategic and objective way, to share good practices and to support change management in organizational reforms. The network aims to promote quality, strategic and agile human resources management through its activities. The HR network is aimed at personnel professionals in the entire municipal sector and also in welfare areas, i.e., personnel management, development managers and experts responsible for personnel management, as well as personnel managers and supervisors. (Kuntatyöntajat, 2021)

The main motive for the author to choose KT as the commissioning company for this study was due the author's personal interest of studying, analyzing and understanding the public sector's human resourcing more precisely. The author believes that the differences of HR in public and private sectors do differ, which is why the author chose to focus on a more unique viewpoint, which KT provides to this study.

1.3 Reserch question

In this study, the primary research question is "What are the trends that are driving future of human resource management in Finland within the public sector?".

The author aims to identify the trends that are driving this future development and how they are shaping the practice of human resource management. Through extensive research and

analysis, the goal is to uncover both the current and future developments of this field and their potential impact on the public sector in Finland.

By asking this question, the researcher is motivated to gather all relevant information and data to determine the trends that are driving the evolution of human resource management in the public sector. The ultimate objective is to gain a comprehensive understanding of how these trends affect the practice of human resource sector in the public sector in Finland.

Overall, the research is as a compass for the author, guiding the author for later studies and find the key trends that shaping the future of human resource management in the public sector of Finland. Through this question, the author hopes to provide valuable insights into the evolving nature of this field and its potential implications for the public sector.

1.4 Structure of this research

When conducting any research, it is essential to have a consistent and comprehensive approach to ensure the validity and reliability of the findings. In this study, the author has planned such an approach by structuring the research in a logical and organized manner.

In the beginning the research question was outlined and the research problem was identified. This provides a clear focus for the study and ensures that the research is relevant and significant. Furthermore, the author has introduced the commissioning company and the motives for conducting the research. This aims to contextualize the study and helps to explain why the research is necessary. Most importantly, the author intends to investigate, explain, and analyze the topics around the research matter. To achieve this goal, the author has plans to use methods to provide a more in-depth and core study. There will be conducting interviews to gather qualitative data that will provide insights, experiences, and reflections to the research.

Using qualitative research methods is particularly important for this study as it requires an understanding of the human experience and perspective. Qualitative research provides a

more nuanced and detailed understanding of the topic, which is essential for conducting comprehensive research on a humane topic. (Bhandari, 2020)

After gathering the data, the author will undertake a thorough analysis of the results to identify key themes and trends. This analysis will be precise and accurate to ensure that the findings are accurate and reliable. At the end of this study, the author will establish all key findings and draw conclusions based on the data. This will provide a comprehensive understanding of the topic and answer the research question. When doing so, this kind of approach will ensure that the findings will be reliable, accurate, and relevant for studies.

2 Theoretical framework

2.1 Main concepts

In this section, there will be introducing couple of theories and concepts. The selected theories for this study are Public Administration theory and Labor Demographics. These theories provide a framework for understanding the various factors that influence the study's topic.

Also, in this section there will be defined function of Human Resource Management in the public sector in Finland and defined meaning of megatrends.

The Human Resource Management (HRM) function in the public sector in Finland is responsible for managing the workforce of municipalities, cities, and other public sector organizations. The HRM work ensures that the public sector has a competent and motivated workforce that can deliver high-quality services to citizens. The HRM function in the public sector in Finland is guided by a reference architecture that outlines the activities and processes involved in managing the workforce. (Kuntaliitto, 2014)

Recruitment and selection are activities of the HRM function in the public sector in Finland. The recruitment process involves identifying job requirements, advertising job vacancies, receiving applications, and selecting the most suitable candidate for the job. The selection

process in the public sector in Finland is based on objective and transparent criteria that ensure equal opportunities for all candidates. Unless otherwise agreed in the Administrative Rules on the recruitment process. (Kuntaliitto, 2014)

The HRM function in the public sector in Finland is also responsible for managing employee benefits, including health insurance, retirement benefits, and other employee perks. Employee development and training are practices of the HRM function in the public sector in Finland. The HRM work identifies the skills and competencies required for the job, designs and delivers training programs, and evaluates the effectiveness of the training programs. The HRM function is committed to providing regular training and development opportunities to employees to make sure that they have the necessary skills to perform their duties successfully. (Kuntaliitto, 2014)

The HRM in the public sector in Finland is responsible for creating a positive work environment that promotes employee well-being and job satisfaction. This includes providing a safe and healthy workplace, promoting work-life balance, and fostering a culture of respect and inclusivity. The HRM function is also responsible for managing employee relations, including conflict resolution and employee grievances with supporting supervisors. The HRM in the public sector in Finland is committed to upholding high ethical standards and promoting transparency and accountability. The HRM function implements policies and procedures that prevent unethical behavior, promotes a culture of integrity, and investigates any allegations of misconduct with other stakeholders in organization. (Kuntaliitto, 2014)

Workforce planning and management are very important task of the HRM in the public sector in Finland. The HRM department tries to identify the workforce needs of the organization with staff management, forecasts future demand for labor, and develops strategies to recruit, retain, and develop the necessary talent with supervisors. Workforce planning and management ensure that the public sector has the right people in the right positions to meet the needs of the organization. By executing these activities or tasks effectively, the HRM in the public sector in Finland helps ensure that the public sector can deliver high-quality services to citizens while also promoting employee productivity, satisfaction, and well-being. (Kuntaliitto, 2014)

Megatrends are large, transformative and long-term changes that have a significant impact on societies, economies, cultures and organizations. These following trends are driven by a complex mix of factors and elements such as technological advancements, demographic shifts, climate change, and geopolitical developments. Megatrends are not limited to a single industry or sector but cut across multiple fields, creating current effects that affect every aspect of society. (Sitra, 2023)

Furthermore, the author will also be applying information on Artificial Intelligence (AI). This is because AI has emerged as a significant influence on many industries, including public sector. By incorporating this information, the author can provide a more comprehensive and up-to-date understanding of the topic. The author believes that these theories, topics, and additional information are directly linked to the research question. They provide relevant information to support a consistent and appropriate analysis of the matter. (Reeves et al., 2008)

2.2 Megatrends

The Megatrends article by the Finnish Innovation Fund, Sitra identifies eight key megatrends that are expected to shape the world in the coming years. The first listed megatrend is the Digital transformation, which tells that how transforming the way we live, work, and interact with one another. Like advances in artificial intelligence, robotics, and the internet of things (IoT) are revolutionizing industries. Advance in creating new business models and disrupting traditional ways of doing things. The second megatrend is the Circular Economy, which is focused on creating a recovering and sustainable economic system. This trend is run by concerns about climate change, resource weakening, and waste management. The circular economy seeks to move away from the traditional linear "take-make-use-dispose" model of production to one that is more sustainable and resilient. All this has been sum-up in the picture which is provided by Sitra (Image 1.). The third megatrend, which is also important for this research is the Changing Demographics, which is driven by an aging population,

urbanization, and migration. These demographic shifts are creating new opportunities and challenges for businesses and governments. For instance, an aging population is creating new demands for healthcare, housing, and social services, while urbanization is creating opportunities for new transportation and energy systems. (Sitra, 2023)

Fourth in the listed megatrend is the Energy Transition, which is focused on moving towards a low-carbon and renewable energy system. This trend is driven by concerns such as climate change and the need to cut dependence on fossil fuels. The energy transition is creating new opportunities for renewable energy sources such as solar, wind, and hydropower. The fifth in the list megatrend is the Future of Mobility, which is transforming the way we move people and goods. Advances in autonomous vehicles, electric cars, and shared mobility services are creating new opportunities for mobility as a service (MaaS) solution. This trend is driven by concerns about overcrowding, air pollution, and the need for more sustainable transportation possibilities. (Sitra, 2023)

The sixth megatrend is the Future of Work, which is transforming the way we work and the skills we need to succeed. Which is one important megatrend to this research. It Means that automation, digitalization, and also globalization is changing the nature of work, creating new opportunities and challenges for workers and businesses. The future of work will require new skills, such as digital literacy and critical thinking. (Sitra, 2023)

The seventh listed megatrend is the Health and Well-being, which is focused on improving the quality of life and well-being for individuals and communities. This trend is run by concerns about rising healthcare costs, diseases like mental health issues. The health and well-being trend is creating new opportunities for preventive health and digital health solutions. The eighth and final megatrend is the Geopolitical Shifts, which are transforming the global balance of power and creating new risks and opportunities. The trend is run by changes in international trade, political alliances. Also, technological advancements taking into concern. Major risk in the geopolitical shifts trend is that it can create new risks, such as geopolitical tensions, cyberattacks, and political instability, but as well as new opportunities for collaboration and innovation. (Sitra, 2023)



Image 1. Sitra's Megatrends 2023: The big picture of change. From Sitra 2023.

2.3 Future of HRM

Looking at the subject from a literary point of view, the study highlights the ideas and reflections contained in the book called "Henkilöstöjohtaminen, keskeiset käsitteet, teorian ja trendit" Viitala R. (2021) on the future of HRM in the public sector.

The future of HRM is highlighted in this book, including through Megatrends, such as how the ageing of the population will put pressure on HR departments to gain skilled labor. The problem is a major concern of the public sector as a whole. All sectors of activity including HR itself. Unfortunately, the book does not give a direct answer or a proposal as to how the problem could be addressed or how it might be lectured. The book mostly mentions that these are future problems that should be addressed now or as quickly as possible. (Viitala, 2021, pp. 254-257)

The book also introduced a possible solution to the problems created by artificial intelligence; however, the book also presents it as only one option and the solutions it offers have not been further deepened or opened. Whilst studying the book, the author found that they had to conclude that the possibility of artificial intelligence could help HR departments when faced with this staff deficit created by the ageing of the population. AI would be able to harness, among other things, to help HR departments so that when intelligent software could pre-judge how staff has performed or will perform their duties and careers. (Viitala, 2021, p. 258)

Like improve employee well-being to leverage artificial intelligence (AI) to monitor their well-being, for instance by conducting well-being surveys or other similar process. This way, the HR department could concentrate only on addressing any issues identified by the AI, while the functional work of monitoring employee well-being is handled by the AI systems. Using AI to monitor employee well-being could offer several benefits, such as identifying potential problems more quickly than manual methods or habits and ensuring a more objective and data-driven approach to well-being monitoring. (Viitala, 2021, p. 258)

Author has thought that there is possibility in addition to using it for internal customer service. AI could be utilized to manage a Chatbot that can answer employee questions regarding employment relations or interpreting the collective agreement. Having a Chatbot handle these types of questions, HR personnel would have more time to focus on other important activities. Example, they could devote existing hours to enhancing employee well-being, implementing effective training programs, or even creating more efficient organizational processes. Using AI in this way could lead to improved overall organizational performance and greater employee satisfaction. However, it's important to carefully consider the potential disadvantages and limitations of AI technology, such as the need for appropriate training and the risk of favouritism in automated decision-making. (Gartner, 2022)

2.4 Possible limitations of the research

Whilst carrying out the research, it is crucial to consider the limitations that may prevent the study's effectiveness and accuracy. In this study, there will be identified several potential limitations that may and have, impact the outcome of the research.

Since the subject matter is very limited, there is no direct written data on the subject, so the study will largely focus solely on the interviews that have been conducted. Like including interviews to ensure that the research is comprehensive and representative in different perspectives. By utilizing sources, the author hopes to overcome the limitations of a narrow core and limited available resources. Also, there has been taken a critical approach to the analysis of the data, considering alternative explanations and potential preferences. This has helped to ensure that the findings are reliable, despite the limitations of the study.

There is understanding that these limitations may have an impact on the outcome of the research, as the possibilities for investigation and analysis are rather limited. However, despite these constraints, the author believes that the research is still valuable in providing insights into the future of human resource management in the public sector of Finland.

Furthermore, while this study faces several limitations, the author has taken practical moves to overcome these obstacles and produce valuable insights into the future of human resource management in the public sector of Finland. By acknowledging and addressing these limitations, the author has ensured that the research is accurate, comprehensive, and valuable to all stakeholders.

2.5 Public Administration theory

The Public Administration theory is a branch of study that focuses on the principles and practices of public sector management. It aims to understand how government functions and how public services are delivered to citizens. The Public Administration theory considers issues such as the role of government in society, the relationship between politics and

administration, the responsibilities and duties of public servants, and the administration of public policies and programs. (Stenvall, n.d.)

The theory also covers topics such as ethics, accountability, and transparency in government, as well as the importance of effective and efficient public administration in democratic societies. It provides a framework for understanding the workings of the public sector and how it can better serve the needs of society. This theory also serves the target group of this study. (Stenvall, n.d.)

2.6 Megatrends affecting HRM

Megatrends may will significantly affect human resource management (HRM) in Finland within the public sector in the following ways:

One is Demographic shifts, also known by Sitra: Changing Demographics, which means that the aging population and increased diversity of the workforce can challenge HRM in terms of attracting and retaining talent, managing a multigenerational workforce, and ensuring diversity and inclusion in the workplace. (Duvigneau, 2023)

Labor force Demographics, also known as Workforce Demographics and Changing Demographics, focus on the changing demographics of the labor force, including the aging population, the increasing diversity of the workforce, and the impact of technology on work. It examines the ways in which these demographic changes are affecting the labor force and the organizations that employ them. It considers how organizations can effectively manage a diverse workforce, adapt to the changing needs of workers, and make use of technology to improve productivity and efficiency. (OECD, n.d.)

Labor force demographics also looks at the impact of demographic changes on the labor market, including workforce trends, skills shortages, and the changing nature of work. These are functions and trends that HR in every organization is facing nearby future. When understanding the implications of labor force demographics, organizations can prepare for the

challenges and opportunities of a rapidly changing workforce and maintain a competitive advantage in a global economy. (OECD, n.d.)

Another one is the rapid pace of technological change is affecting the way work is performed, requiring HRM to focus on upskilling and reskilling employees, in addition to adapting to new ways of working. This sort of huge digitalization jump has been witnessed during the Covid-19 pandemic. One way to look at this subject in this study is to adapt to new ways of working. Whilst technology changes the way work is performed, HRM must adapt to new ways of working, including remote work, flexible schedules, and the utilization of automation and artificial intelligence. This requires a flexible and adaptable approaches to the HR policies and practices, and a willingness to embrace new technology and new ways of working. (Duvigneau, 2023)

The globalization of business has transformed the way companies operate and has had a thoughtful impact on human resource management (HRM) practices. The rise of global competition for talent has led to an increasing need for organizations to attract, retain, and manage a geographically dispersed workforce. This has resulted in new challenges for HRM, such as managing remote workers, navigating cultural differences, and ensuring effective communication across borders. Furthermore, with the growing awareness of the impact of human activity on the environment, sustainability has become an increasingly important issue for organizations across industries. As such, HRM has been tasked with the responsibility of ensuring that their organization's practices are environmentally friendly. This requires a shift in mindset towards sustainability and the adoption of environmentally friendly practices. (Duvigneau, 2023)

To attract and retain a suitability workforce, HRM practices must support with the organization's environmental values. This can include offering employees training and development opportunities related to sustainability, encouraging the use of public transportation and implementing eco-friendly policies in the workplace. Additionally, HRM must try to take an active role in promoting sustainability initiatives to employees. (Duvigneau, 2023)

By understanding and adapting to these megatrends, HRM in the Finnish public sector can ensure that its policies and practices remain relevant and effective in a rapidly changing world. This may help organizations attract and retain talent, improve employee well-being, and remain competitive in the long term. (Viitala, 2021, pp. 254-257)

2.7 Artificial intelligence adapting

When adapting these technological changes, they can ensure that its policies and practices remain effective in a rapidly changing technological landscape on HRM in the Finnish public sector. This can help organizations improve productivity, remain competitive, and attract and retain the best talent in a rapidly changing world. (Viitala, 2021, p. 258)

There is possibility that AI may play a role in HRM in the Finnish public sector to address the challenges posed by demographic shifts and technological advancements. Relying on written sources and personal experiences, it can be estimated that artificial intelligence can help develop the following ways to make a more precise approach to research. (Chevalier, 2023)

For instance, AI can be used to analyze large amounts of data and predict which candidates are most likely to be a good fit for a given role, helping HRM to make more informed and objective hiring decisions. Also, AI can evaluate upskilling and reskilling employees, which is why it may be used as a tool to assist in providing personalized training and development opportunities throughout careers. AI also offers the opportunity to advise on employment matters. AI may report directly to employees how many vacations they have accumulated or how to act on leave of absence. (Gartner, 2022)

Overall, the utilization of AI will offer endless possibilities for organizations to enhance in the future, simultaneously providing effective and modern opportunities for HRM. The overall benefits of utilizing AI are remarkable and provide support in several HRM-related aspects.

3 Research methodology

3.1 Qualitative research introduction

The research method chosen to this study are mostly qualitative. The research will mostly be based on interviews, articles, government publications and blogs or another trade journals. Qualitative research results offer the answers to questions about “why” and “what kind”, instead of asking “how many”. The focus is on finding insights to thoughts, experiences, and viewpoints instead of gathering numerical data. Due to qualitative study being mostly the status of questions prepared by the researcher in advance, subjects are allowed to share their experiences and opinions regarding the subject matter, like in interviews. This method gives the opportunity to see social phenomena in all possible diversities. (Bhandari, 2020)

The study will include some questions, lines of inquiry, when trying to answer the research question. Questions that possible will be using in interviews. The main questions will focus on finding responses to, “Which global factors are influenced to HR management in Finland?”, “How outside variables is affecting to HR management in Finland and why?”, “What kind of changes of possibilities there will be happened if HR is not renewed with the world?”, “What is your opinion about future of HR management in Finland?”.

When using qualitative methods, the structure on gathering data would be to find first publications on the specific topic and then analysing the content, word by word with using critical and diverse mindset. After the content has been read and analysed, the data collected is made a cross bet and possibly used cognitive maps from which led decisions can be drawn. (Gibbons, 2019)

As the research question states, “Which trends are driving the future of human resource management in Finland within the public sector?”, there are some perspectives and presumptions of people, organizations, companies, and authorities. In this study, as opinions and forecasts are gathered, cross-betting can be obtained with a clear description of what the future of human resources management looks like in the public sector.

Often qualitative method is applied either as an independent method of research or in combination with quantitative research to support the outcome of the studies. Such as in quantitative research methods using an independent variable, the author can choose which experts should be interviewed and which sources refer to and dependent variable is the overall outcome. (Bhandari, 2020)

However, the author wishes to highlight that there is an underlying problem. In practice, qualitative research can be potentially unreliable due to uncontrolled factors which influence the data, like for instance dishonesty. Likewise, qualitative research cannot be replicated because there are too many changing factors, such as the opinions or attitudes of the researcher. The overall liability of qualitative research can be questioned, in comparison to quantitative research, which on the other hand offers numerical data. However, the author does intend to focus on qualitative research material, as the research topic is an observational matter, which requires specifically viewpoints, experiences and opinions of a variety of people. (Bhandari, 2020)

Human resources is a humane topic, which discusses and evaluates different matters regarding an organization's personnel. It is rather self-explanatory to why the author has chosen to stick to gathering primarily qualitative research material, as the topic itself links directly to employee and employer experiences, needs, insights and visions. (Bhandari, 2020)

3.2 Qualitative research techniques

One of the qualitative techniques that has been used is historical research, on interviews, due to the reason that historical research refers to past events, which try to interpret the facts and explain the cause of events and their impact on the present day. Whilst doing so, it is easy to rely heavily on primary historical data such as past events, documents, and personal data. Less frequently, secondary historical data, which are examples of newspapers and encyclopedias. (Edith Cowan University, 2020)

The benefits of using historical research data it is, the author is not involved in the situation that will be studied, author do not interact with the subjects of study and will analyse the historical data that it is possible to help explain future events. (Edith Cowan University, 2020)

Another qualitative technique is a one-to-one interview, where the interviewer meets one person at a time for questions with has been selected by the author. It is type of interview that collects qualitative data from respondents about their opinions, experiences or attitudes. One-to-one interview could be conducted by telephone or computer equipment, but in this case the author has decided to conduct the interviews face-to-face. (Hassan, n.d.)

A one-to-one interview must take into account, among other things, that the interview has a clear purpose and what the interview can achieve. Questions need to be carefully prepared in advance, however there is possibility learned from the interviews and adapted to make them easier to express. In a one-to-one interview, the most important feature of the interview is that they are done in a quiet private space. During the interview it is very important to record answers or at least take notes down. After the interview, the interviewer should write a summary of the interview and discussions, in order to reflect back to the collected data straight away or in later use. In this way, it is possible for the interviewer to reflect on the results later in the analysis. (Hassan, n.d.)

A one-to-one interview can be extremely useful, especially when the subject is sensitive or if there is chance, to get poor answer like trough web survey will not get enough quality answers. In all circumstances, a one-to-one interview does not work, however in this research structure it has proved to be a very effective method. (Hassan, n.d.)

The added benefit of a one-to-one interview is that it can create a personal connection between the interviewer and the interviewee, making it easier to build trust in the discussion and possibly encourage the interviewee to answer depth questions. Once trust has been gained, interviews can achieve much deeper discussions and also provide an opportunity for the interviewee to ask questions from the interviewer. It also provides an opportunity to specify the answers if you feel that the answer is incomplete or otherwise unclear. (Hassan, n.d.)

As with all other research methods, one-to-one interviews also have their own weaknesses. Such that the interview and the time spent on it can be very generous, as the author himself, for example, has travelled to the interviewees. Answers may be very difficult to generalize for a larger user group, however the author has limited the interviewee to one specific competence area, in this case HR in the public sector. It is very important to set an appropriate time for interviews, so that all necessary questions can be raised and answered. (Hassan, n.d.)

3.3 Primary research: Interviews

This section examines the primary data collection of the research (Appendix 1). As mentioned earlier, the interviews were conducted anonymously and face to face. The author of this study travelled to interviewee's offices or coordinated locations to conduct the interview. The interviews took place during the spring of 2023, at a more precise time in February and March 2023 and since interviews were conducted anonymously, only background information such as age, work experience and the size of the organization of the current workplace can be provided. This made it possible to ensure that the answers were sincere, spontaneous, and as transparent as possible. (Appendix 2)

The average age of the interviewees was about 40 years. And the interviewees have on average worked HR for about 15 years, of which the average has been around 10 years in the public sector. The experts interviewed work in a medium-sized municipality/city which means that the city or municipality has a population of about forty thousand and that the average number of permanent employees is about 1,000. (Ministry of Finance Finland, Valtionvarainministeriö, 2020)

The whole interview consisted of 6 main questions, one supplementary question and two sub-questions which were asked if the conduct of the interview led to questions being naturally asked. The performed questions were open questions, so that answers can be easily received, yet widely understood, without giving the option to respond with a simple yes or no.

The first question of the interview was a background question, which was then started to ask and explore how the interviewee felt that the current HR functions are working now. This is

where the interviews created a little more discussion on HR trends in order to prepare properly for the next question. The following question, as the third one, was “what do you think are the biggest or most important HR trends now?” and as a follow-up question, “what about the in future?” Depending on the answer received, a follow-up question was asked, namely the sub-question, “How do you see these trends guiding HR’s future activities?”, and the second sup-question, “What problems do you see in the future”.

The fourth question was: “If these trends are not carried out, what do you think will follow”. The idea behind the question was that trends are coming, happening and the question sought that when the trend comes, how to answer it and if not, then what happens.

A slightly more open question was then asked, question number 5, “How should HR work in the future?”. Based on all these answers, it was asked, Number 6, “How do you believe that there will be a happened in the future, and why?” the idea of this question was to connect these previous questions together and get a little repetition of the question into the questionnaire in order to observe and compare the previous answers to this question.

When discussing these issues with the representative of the municipal employer (Kuntatyöntajat), they wanted to add a sense of responsibility to the question, while the subject concerns the future of HR in the public sector. The representative of the municipal employer asked to add a question which is, in a way, Question No 7 in this regard, namely, “What aspects of responsibility have been taken into account in the future in the management of personnel?”. This question is also good in all aspects in view of the fact that the subject is important as well as the that the interviewer felt much more relaxed after the interview.

In the end there was asked a bonus question: “Could artificial intelligence be harnessed to assist HR departments such as with "Chatbot" – system in internal customer service?” The last bonus question was asked, among other things, because one of Sitra’s megatrends is likely to be strongly related to technological development and it is now widely acknowledged that artificial intelligence is a relatively effective tool. (Shilo, 2022)

4 Results and analysis

As has already been mentioned, 4 interviews were conducted, and these were carried out using one-to-one interview method. The next step is to present the answers of interviewed, to find similarities and differences, and to create analysis and possible recommendations on the basis of them. As already written and the average age of interviewees is about 40 years and on average, they have worked in human resources management positions is 15 years, of which 10 years are in the public sector.

4.1 Participation

All 4 persons interviewed participated enthusiastically and with interest. Before starting interviews, it was discovered with the interviewees that this type of study has already been expected to be carried out. And the interviewees describe the relevance of the study and that, when the study is carried out for municipal workers, it increases the credibility of the research and the interest of the interviewees in the questions asked. For all interviewees, it was not entirely straightforward to conduct one-to-one interviews, but because the interest of the interviewees in this topic was that high, suitable dates were found for all parties to hold interviews.

4.2 Interviews personal perspectives and findings

When asking the question: "How do you think the current HR works now?" question number 2, it could be mentioned right away that there was a great deal of fragmentation in the answers. The interviewer number one replied that the employer does not understand the importance of the HR sector and that, among other things, the resources have been implemented as a so-called decentralized model, i.e. each department has its own secretary who also performs HR-related tasks which do not even have training on it. Interviewer No. 1 also mentions that staff and resources allocated to staff development do not meet, which thus presents real challenges again in the working community. Interview No. 2 very briefly

indicates that the resources are for normal personnel to perform the day-to-day operations of management in good condition. Interview No. 3 indicates that human resource development is the main focus of human resources management in today's work capacity development and self-development. On behalf of the administration side itself, there was no mention by the interviewee number 3 of the fact that the investment in recruitment-related activities lags very much behind and when compared with the private sector. Interview number 4 also states that the resources are in order. The current HR administration is easy to approach by e-mail and telephone but highlights the fact that the foremen in the organization are struggling with HR functions or the use of related HR systems. Interview No. 4 emphasizes that in this section of the interview, electronic equipment related to human resources management should be more user-friendly.

As already mentioned, Question No 2, the dispersion in the answers was reasonably large, but the same comments can be found as the majority of respondents say that the resources for daily activities are in order but there are challenges for each organization.

Before Question No 3 the interviewer pushed the question by telling, what are the current megatrends according to Sitra. Megatrends were bundled into 3 main categories such as labor force change, technological progress and responsibility aspects.

The number one interview considers the change in the workforce to be the largest megatrend that affects the HR field in the public sector and as well as technological developments that have brought with them information management as a new supervisor tool. The number 2 interviewee states that the change in the workforce and the ageing of the population is the most significant of megatrends, which is why the HR must take it into account whenever future plans are made, i.e. strategies. As well as the interviewee number 3 highlights the change in the workforce and thus the acquisition of knowledge that where and how it can be obtained. Technological progress must also consider the ageing population in the labor force, such as what is expected with existing digital skills. So how much you have to manage and know already. The interviewee No. 3 wants to highlight which digital systems are really needed in the future. Interview 3 also wishes to mention that in their current digital form the collective agreement in the field of municipal employment is not easily accessible, meaning that employees cannot interpret, read or

search for information about collective agreements in the field of municipal employment, which means that they rely mostly on familiar practices such as 'asking a friend' - style. HR functions should not put too much into digital systems, as the workforce will be older in the future and the digital skills of people will not necessarily be up-to-date. The interviewee 3 would also like to mention that traditional means of contact must be maintained.

Interviewee number 4 as others emphasize that the main trend is staff changes, i.e. labour force change. As is the case with the interviewee number 4, there is a potential shortage of employees, which is getting closer every year. The number 4 already mentions here that the structure is in pain due to the change in the workforce as the staff age and skills become obsolete. Interview number 4 would like to stress that these changes in employees, i.e. changes in the workforce, are already visible in the early childhood education sector and in the school world.

The answers from the Question number 3 do not differ as much. An interview on the basis of the answer can be concluded that the most important of megatrends is the one that concerns the public sector and HR activities, namely the change in the workforce.

By way of exception, Question No 3.1 did not have to go through with any of the participants in the interviews because the answers were already received in Question No 3. According to the interview battery, this question was created in the hope of it, if the answer to question 3 is not sufficiently broad.

On question 3.2, interview 1 sees as a problem that in the future, where will the labor force come from and where will the level of education be. Interview number 1 also highlights the potential problem of language skills if the labor force is imported from abroad to replace the sectors of the labor market that are in need of recruitment. The interviewee number 2 also sees that where the labor force is obtained and in this case the response is more focused on foreign policy aspects that are not addressed in this study.

Question No 3 answers that time will not be sufficient because the lack of resources of employees is already present in the field of early childhood education and in the schools. And on the same line continues interview number 4, the lack of applications in recruitment,

i.e. fewer applications than usual, and even a small number of applications prove to be of poor quality.

Question No 4, interview 1 answers that services will even be reduced. This will have a major impact at the level of society, which will give rise to the fear that public sector activities will be privatized as a whole. Interview No. 2 answers that if these megatrends are not followed and taken into account when strategic plans are developed in the future, the service will be significantly weakened for residents and also for businesses.

Interview number 3 looks even further and answers that at worst this can even lead to the collapse of the welfare state, when all activities are gradually running out in every local government sector. Interview number 3 would like to emphasize that there is also a need for staff for human resources management activities as well as labor force for sectors where it is already lacking. "Competence is needed and needs to be developed," says interview number 3. Interview number 4 continues along the same lines as previous respondents, i.e. the operations will stop in due course. The number 4 of the interview is concerned that the general idea on the employer's side is that we should be able to cope because we have been able to cope before and not take into account future problems. Interview number 4 also says that in the future, employees will end if megatrends are not taken into account in future plans and would like to mention that additional pay is not a sustainable solution in the municipal economy and this problem can be identified and at present schools working communities.

The consistency of the answers to Question No 4 can be clearly notice. Each interviewee fears that the activities would end if the problems identified in the megatrends are not taken into account in the strategic plans for the future.

Question No 5, interview 1 says that the use of resources should be invested. The process of cooperation between human resources administrations must be improved, from start to finish. Support for management needs to be improved in order to be aware of existing and future problems. Interview number 1 states that HR activities with a partner model would be recommended, i.e. every part of the organization would have a trained HR expert and activities would not be concentrated on the so-called 'one-table' method where all activities

is controlled by one department. The interview number 2 considers that in order for HR activities to function well in the future, it is therefore necessary to have the pre-workers trained to interpret the collective agreement of the municipality in the field correctly, even with the basics, and as with the determination of holidays. Interview No. 2 also proposes that each sector should have its own HR expert to support supervisors on HR-related issues and or in the interpretation of collective agreements. Interview number 3 would like to mention that HR cannot change wage levels or resources, but these decisions come from elsewhere. The interviewee number 3 would like the targeted resources to be allocated correctly and because it is currently felt that the resources are being misallocated. Refocusing resources should, as far as possible, help prolong working lives and keep employees suitable for work, responds interview 3. Interview number 3 also states that international recruitment needs to be increased and resources allocated to HR to implement this, to target the working hours of office workers and to improve the IT systems to enable HR to work as an expert partner in the future. Interview number 4 answers question number 5 that the HR should handle matters equally and quickly and in accordance with good administrative rules. Hopes for resources for development in order to keep employees in the public sector longer. Decisions should be made in a far - reaching way and in accordance with soft values.

To the Question number 5 the answers varied, although the core of the answers was essentially similar. They hope that resources will be re-allocated, that they will be improved for supervisors and their activities, and that decisions on long-term priorities will be planned in the future.

Question No 6 received a lot of answers which were already answered in question No 5. In its briefness, Interview 1 states that if the problems mentioned above are not taken into account and nor is it taken into account that the staff gap will also be affected by the HR it will, after all, reduce the quality of service and possibly to the end of the service. Interview 2 also states that if the management of the cities organization does not understand HR's importance, the quality of human resources management activities and personnel development will be reduced or even stopped completely. A similar response was received from interview 3 and 4 which state that if resources are not properly allocated or also taken

into account the labor force shortfall in human resources management, the services are likely to be exhausted or at least weakened.

Question No 7 answers are slightly different between the interviewees. As interview number one tells us that responsibility aspects have not been taken into account at all, they have not been managed, they are not understood in the sense of leadership, i.e. there is nothing. Interview number 2 states that he has no information on whether the sustainability aspects have been taken into account in personnel management at all. Interview No. 3 states that it is not a priority number one, i.e. this has not been greatly invested in and has not been guided by resources in this area. Interview number 3 would, however, like to give the attention that it should be involved when planning a responsible approach to personnel management in the future. The interviewee 3 also tells us that this sustainability aspect of personnel management is still under study, and they trying to significantly improve it and take it into account. Interview number 3 also states that the sustainability perspective is currently not fit in with their current planned formulations but needs to be re-created. Interview number 3 would like to highlight that this would be a place for the municipality to profile as a pioneer when compared with the private sector. Interview No. 4 states directly that it is not thought out and adds that this should be the job of the HR Director. However, interview 4 highlights that when responsibility aspects are taken into account in the management of personnel in the future, they need to be considered with time and taken into account and resources used to plan it and not to make hasty decisions.

The interviewees gladly answered the bonus question and felt that using Chatbot was a possible good option, as well they pointed weaknesses and potential problems.

Interview No. 1 reported that this in internal customer service, in the internal customer service channel, would free up working hours in answering questions related to traditional collective agreements. One interview state that about 1/5 of worktime go to answer questions from internal customer service. The interviewed also indicated that when the service design of HR's entire industry needs to be renewed, the use of this artificial intelligence, for example through chatbot, should be added to it. One interview state that municipal employers could be a provider of such a system. The interview No. 2 comments on this tool as a good idea so that it would be easier to contact and serve internal customer

service. Interview 2 also points out that this could lower the threshold when the employee comes up with issues related to the collective agreement. Interview No. 3 also mentions harnessing artificial intelligence by means of chatbots, among other things, that it would be easy to manage through service design but doubting that the supervisors would hesitate to respond to the answers given by the chatbot or possibly fear the interpretation created by the chatbot. Interview 4 states that if this were to work, it would be a really good change and would free up working hours to development activities. Interview 4 also states that the chatbot would unfortunately be faceless, so it might not be perceived as a comfortable service channel. Interview 4 also highlights if the software needs to be updated or the terminology changes so who handles updated and also fears that the possibility of misunderstanding is too great.

4.3 Analysis and results of interviews

Based on the responses provided to the question "How do you think the current HR works now?", it is clear that there are several areas that need improvement within the HR department. It seems that there is a lack of understanding of the importance of the HR sector by the employer, which may be leading to a lack of investment and resources being allocated to HR-related activities. The reorganized model has resulted in departmental secretaries performing HR tasks without proper training, which may be contributing to inefficiencies and errors. Also, staff development is highlighted as an area that needs improvement, which may impact employee engagement and retention. While human resource development is identified as a main focus of HR management, there is no mention of recruitment-related activities, which may be impacting the organization's ability to attract and retain top talent. Finally, the need for more user-friendly electronic equipment related to human resources management suggests that there may be room for improvement in the technology and tools used by the HR department. Finally, addressing these areas of improvement could help to create a more effective and efficient HR department, which could have positive impacts on the organization.

The responses to the question about the biggest megatrends affecting the HR field in the public sector reveal several important themes. Like the changing workforce, including demographic shifts such as an aging population and potential shortages of employees, is a significant trend that needs to be considered in HR planning and strategies. Also, technological developments and digital skills are becoming increasingly important in HR, but it is also important to maintain traditional means of contact and not rely too heavily on digital systems, especially considering the potential lack of digital skills among older workers. Therefore, the difficulty in accessing information about collective agreements in the field of municipal employment highlights the need for greater accessibility and transparency in HR practices. These responses suggest that HR in the public sector must adapt to changing workforce and technological trends, while also maintaining a balance between digital and traditional practices and improving transparency and accessibility in HR processes.

The responses to Question No. 4 in this text reveal a common concern among the interviewees regarding the potential negative impact on public services if the megatrends are not considered in future strategic plans. Interview 1 suggests that services may be reduced, leading to fears that public sector activities will be privatized. Interview 2 echoes this concern and emphasizes that failure to address these megatrends could weaken services for residents and businesses. Interview 3 takes it further and warns that the collapse of the welfare state could be a worst-case scenario if local government activities gradually disappear. The need for competent staff, particularly in human resources and sectors where labor force is lacking, is highlighted by Interview 3. Interview 4 answers agrees with the previous respondents and emphasize that operations will eventually stop if megatrends are not taken into account in future plans. The common thread or theme among all interviews is the potential for the end of public services if the identified problems are not addressed in strategic planning for the future.

The answers to Question No 5 all emphasize the need for improved allocation of resources, training for interpreting collective agreements, and the importance of HR activities being handled by sector-specific experts. They also pressured the need for decisions to be made with long-term priorities in mind and for resources to be focused on prolonging working lives and keeping employees suitable for work.

The responses to Question No 6 largely echoed those given in response to Question No 5. All interviews agree that failing to address the issues outlined, including the staff shortage and the importance of HR, will lead to a decline in service quality and potentially even the end of services. Proper resource allocation and addressing lack of labor force in HR are seen as necessary to avoid such outcomes.

The answers to Question No 7 varied among the interviewees. While some had no information or had not prioritized responsibility aspects, others recognized the importance of incorporating sustainability perspectives in personnel management. Interviewee 3 highlighted the need to re-create current formulations and profile the municipality as a pioneer in this area. Interview 4 emphasized the importance of giving sufficient time and resources to plan for responsibility aspects in personnel management, rather than making hasty decisions. Overall, the responses suggest a need to prioritize and invest in responsible and sustainable personnel management.

The conclusion regarding the bonus question is that the interviewees were generally positive about the use of chatbots in HR services, although they also mentioned potential weaknesses and problems. Interviewees emphasized that using chatbots in internal customer service could free up working hours, making it easier for employees to contact and receive support. Some interviewees also mentioned that the implementation of chatbots should be included in the service design of HR's industry, and that municipal employers could provide such a system. However, some interviewees expressed concerns about chatbots being perceived as a faceless service channel, the possibility of misunderstandings due to updates or terminology changes, and the reluctance of supervisors to accept the answers given by chatbots. Overall, the interviewees seemed to see chatbots as a good option, but also acknowledged the need for careful planning and implementation.

5 Recommendations

The literature review makes it possible to identify clearly the problems facing HR departments in the future, such as the ageing of the population, major technological changes, the general increase in globalization and the need to take more account of environmental issues in the future. In literature, the problems are clearly and well highlighted, but yet the solutions are not well told or explained.

The recommendations made based on the written material concern mostly on the adapting artificial intelligence, which is also recommended by the author himself. Either harness artificial intelligence to assist in monitoring administrative tasks or monitor, for example, certain types of personnel competence indicators. Then the AI would then be able to report, if necessary, any findings to the HR departments. The second recommendation is when the population is ageing and the labor force is declining, is to harness artificial intelligence, like a chatbot, to manage internal customer service. Such as, answer questions related to collective agreements or the number of holidays or similar cases. This would already be freed up by a large number of hours from HR departments, so that HR could focus more on staff development or another crucial activity.

Based on the analysis of the four interviews, it is clear that the human resources management system in the municipality needs improvements in several areas. The interviews highlight that there are challenges in recruitment and retention of skilled employees due to the municipality's limited budget and lack of competitive compensation packages. Additionally, there is a need for improved communication and transparency in the human resources management process to enhance employee engagement and job satisfaction. The interviews also highlight the importance of sustainability and responsibility aspects in personnel management.

To address these challenges, we recommend that the municipality invests in creating a strategic human resources management plan that focuses on recruitment, retention, communication, and transparency. The plan should outline competitive compensation

packages that will attract and retain skilled employees. Additionally, the municipality or city, should prioritize the use of modern HR tools such as chatbots to improve service delivery and free up working hours from HR personnel.

We also recommend that the municipality prioritizes sustainability and responsibility aspects in personnel management. This can be achieved by conducting a sustainability audit and incorporating sustainability practices into HR policies and procedures. The municipality or city should also invest in employee training and development to enhance their skills and job satisfaction. This will not only improve service delivery but also position the municipality as a pioneer in responsible personnel management practices. Finally, we recommend that the municipality establish an HR department that is dedicated to overseeing human resources management activities and personnel development.

5.1 Critical evaluation

It's worth noting that the recommendations are based solely on the information provided by using the questions and receiving the answers. To fully address the issues facing personnel management in the municipality, a more in-depth analysis would be required, including an examination of the municipality's policies, procedures, and practices. Additionally, feedback from other stakeholders, such as employees and other managers, would be essential to identify areas for improvement and to develop effective solutions.

Therefore, the recommendations provided are intended to serve as a starting point for improving personnel management in the municipality. By implementing these recommendations and seeking further feedback from stakeholders, the municipality can work towards creating a more effective and efficient personnel management system that meets the needs of employees, management, and the organization as a whole.

5.2 Overall analysis

After reviewing the literature and considering the trends highlighted in the report "Megatrends 2023" by Sitra, it is clear that HR departments will face significant challenges in the future, including an ageing population, technological changes, globalization, and

environmental issues. To address these challenges, the recommendations based on the literature include the adoption of artificial intelligence to assist with administrative tasks and personnel competence monitoring, as well as the use of chatbots to manage internal customer service and answer common questions like related to collective agreements or holiday time.

In addition, on the report "Megatrends 2023" highlights the need for HR departments to adopt a more strategic and proactive approach to talent management, focusing on employee development and wellbeing. This will require HR professionals to develop new skills and competencies, such as data analysis and strategic thinking, to better align their activities with the needs of the organization. Moreover, the report emphasizes the importance of diversity and inclusion in the workplace, as well as the need for HR departments to address environmental and social sustainability issues. This will require HR professionals to work closely with other departments and stakeholders within the organization to develop and implement policies and practices that promote sustainability and social responsibility.

In summary, HR departments will face significant challenges in the future, but by adapting new technologies and approaches, as well as developing new skills and competencies, they can better align their activities with the needs of the organization and contribute to a more sustainable and inclusive workplace.

6 Conclusion

In the Public sectors human resources management encounters a range of challenges that need innovative solutions. One promising way involves integrating artificial intelligence (AI) and service design approaches. Surprisingly, despite its significance, human resources management in the public sector is often overlooked, which find out during interviews. However, HRM role is ensuring personnel well-being, fair treatment, and organizational functionality.

The ever-evolving workforce environment and labor dynamics present ongoing obstacles for public sector human resources management. To effectively address these challenges and prevent potential troubles, it is crucial to tackle these early issues and incorporate long-term strategies into the planning processes of cities and municipalities.

Artificial intelligence appears as a powerful tool to change public sector human resources management. AI technologies can modernize and optimize various aspects, including recruitment processes, employee evaluation, and resource allocation. By using AI, organizations can identify suitable candidates based on skill sets and qualifications, while simultaneously promoting diversity and minimizing unfairness. Additionally, AI-powered systems or software can automate routine administrative tasks, freeing HR professionals to concentrate on strategic initiatives and employee development by releasing workhours. Another possibility worth studying is the integration of service design principles into public sector HR management. Focus on user-centric solutions, service design increases the overall employee experience, improves communication channels, and fosters a culture of constant improvement. User-friendly digital platforms and self-service portals allow employees to use them every day.

While it is crucial to address current challenges, adopting a long-term perspective is equally essential. Municipalities and cities must combine comprehensive human resources strategies into their plans, considering the changing nature of work, labor force, evolving demographics, and technological progresses. Taking practical measures will enable public sector organizations to anticipate future workforce trends and support their HR practices, minimizing troubles and maximizing the potential of their workforce.

As researchers in this field, we must continue to explore and encourage for effective approaches to optimize public sectors human resource management in Finland.

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Appndix 1: Interview questions

1. What's your age, experience in HR related tasks in the public sector, what is size of organization you are currently working in?

2. How do you think the current HR works now?

3. What do you think are the biggest or most important HR trends now?

3.1 What about in the future?

3.2 How do you see these trends guiding HR's future activities and what problems do you see in the future?

4. If these trends are not carried out, what do you think will follow up in the future?

5. How should HR work in the future?

6. How do you believe that there will be a happening in the future, and why?

7. What aspects of responsibility have been considered in the future in the management of personnel?

Bonus questions: Could artificial intelligence be harnessed to assist HR departments such as with "Chatbot" – system in internal customer service?

Appendix 2: Data management plan

Throughout the thesis process, the author acquired knowledge about HAMK's guidelines for data collection, processing, storage, and destruction. In order to address the research questions and complete the thesis, the author collected data from both primary and secondary sources. Additionally, the author gained familiarity with research methods and responsible research principles. The research methods chosen for data collection in the thesis were carefully selected and presented.

The primary data of the survey was collected by interviewing HR professionals in the public sector. Face-to-face method and anonymously. The interviews collected background information from the interviewees was very limited so that the interviewee could not be identified by the given background data. Background information was asked about age, experience in HR related tasks in the public sector and what size of organization they are currently working for. The answers were collected on the interviewer's physical paper notebook and only in one piece.

The secondary data of the thesis are generally available data or research material.

The author keeps the research material in his own home in the same physical paper that the interviewees' answers were collected. The author will keep the research material for one year (365 days), including the answers to the interview, will be given over on the data protection box, which in there will be destroyed. The answers to the interview and other research materials will be handed over for the use of commissioning company of this thesis, if wished.