HUMAN RESOURCE- AVALUE AADITION TO BUSINESS CASE STUDY -TRIFORCE

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INTRODUCTION

This thesis is a study of the extent to which the expectations of middle and senior managers in my current company, Triforce is consistent with the existing human resources management (HRM) from a strategic point of view.

This thesis is also a complementary study that has its origin of interest in an analysis done regarding the HR department´s work load and the consistency of the work done by HR. The analysis also included a smaller scale view on HR´s work by board of leaders. The analysis showed that HR worked extra hours covering a half-time job and this resulted in employing one more HR Manager in the current group. It also measured the thoughts of top leader´s view on HR in different HR related tasks. It became clear that HR is not seen as very top strategic player in the company, which actually became the starting point for the need of this study.

Human resources have for years been fighting for their strategic position in Triforce. In theory, HR´s role has become more of a business partner than just an operative administrator, which was the case for many years ago. That is not fully implemented view in Triforce. In my opinion, HR should have at least as important role in adding value to the business as all the other business areas in companies.

The strategic role of HR is still not understood and accepted in many companies and a company called Triforce is used as an example in this thesis. Triforce has seen the value of HR in many ways, but mostly from the operational point of view. There are some questions yet to find out answers to when it comes to achieving the position of a strategic business partner for HR in Triforce. How to define HR´s position in the company? Who owns the processes, managers or HR? What are the expectations from both sides? Is HR part of the business strategy planning? Which role does HR want to achieve? How to make the managers aware of the importance of strategic HR work? I hope to find answers to some of these questions throughout the study.

It is very common that HR processes are seen important for HR to have and not always as something that actually adds value to the company. There is a constant struggle with defining, explaining and justifying HR processes to managers. Triforce is no exception in this. There has been understanding for the need of some of the processes, such as recruitment, performance management and salary review, but they are often seen as time-consuming, too controlled and not very proactive processes from the manager´s point of view.

There is a long road ahead for HR representatives in Triforce by trying to convince that HR both has the qualities, competencies and knowledge to help the business gain their goals. This struggle is ongoing on daily basis and the fact that all HR are women in very male dominated field does not make the road less rocky, so to say. It is hard to diminish the operational and administrative role, when the company has not have HR services function.

The approach in this thesis is from theory to practice, starting with presenting theoretical approaches to HR´s role and strategic partnership to the business. Then some examples of how can they be used in practice. The second part will go through the current situation in Triforce first from the company´s point of view and finally through HR departments history to today. The third part includes the conducted qualitative and quantitative research from plan to results. Finally, the last part is analysis of the results and development suggestions.

1.2 Research questions

Many studies have found a positive relation between strategic HRM practices and firm performance. Finding the way for synergy effect between business strategy and HR strategy is one of the goas for this thesis together with finding answers to the research questions below. The staring point is how the current situation looks like in the studied company, Triforce.

The research questions are based on following:

•What does it mean to be strategic HR?

•Is HR seen as more operational or strategic function in the company today both by managers and HR? Is there a need to be more strategic?
•What are the most important tools for HR to become a business partner or to retain the role?
•How is HR strategy aligned with the company´s business strategy?
With the help of these questions the thesis includes firstly the current

situation in the company. Secondly, this thesis studies the manager´s and HR´s own view on how strategic they need to be in order to add value to the company. Thirdly, there are development proposals to help HR to gain/retain the wanted position.
It is not unusual that the view on HR differs quite a lot depending on which part of the company is answering. There is different amount of interaction between HR and rest of the organization at sometimes it is hard for parts of the organization to understand what HR work actually means. The research questions are helping to find that out.

1.3 Previous study

This thesis has a connection to a study and analysis performed by Ulrika Holmgren (TeliaSonera) regarding Triforce´s HR department. The goal of the study was to analyze the tasks and roles of HR. The purpose of the study was also to analyze if there was something in the model that could be done more effectively and if there was need for one more HR Manager. The analysis also showed how strategic role HR had both according to facts and even opinions of the board.

Picture 1. Study plan (Holmgren (2013) TeliaSonera´s HR study for Triforce).

The study was conducted within two month time frame. It was conducted by interviews, questionnaires, theories and lots of analysis. The results were presented to the board and even both HR in Triforce and in TeliaSonera.

The analysis was very thorough and included both the actual time spent on dif- ferent HR tasks and how important these different tasks are according to the high level leaders. Also the dimension how well HR is doing the tasks was in the analysis. All and all, the study was very comprehensive with many different an- gles to give as accurate result as possible.

The results gave very good input and ground for development proposal that was also part of the analysis. Core of the proposal was that managers should take more responsibility in parts of HR related issues and that HR lacked resources. The conclusions of the study are presented in short form below.

Time and process study -> Triforce traditional HR model

- Major part of tasks related to HR is initiated and performed by HR

- The managers take very little part in HR issues

- Managers/employees are the owner of the order and HR is the delivery function

- This existing model makes HR an administrative and supportive function

- Triforce ́s HR persons are working overtime that is comparable to a half-time employment
Picture 2. Traditional HR model vs. Future HR model (Holmgren (2013) Teli- aSonera ́s HR study for Triforce).

The study resulted in some different ways of working and even in employment of one more HR manager in the group. It was seen necesseray in order to be able to work with lifiting the administrative role to more strategic level and to be able to be more proactive in all HR issues.

Though, it is a fact that the study took quite a long time and the decision of employment took almost a year so Triforce has become larger during that time and the work of becoming more strategic and proactive has actually taken a step back. It is obvious that employing HR personnel is all the time behind the needs timewise. The situation is very fragile and the team has no margins in some one being abscent for example. The work load is quite heavy if one or more members of the HR team are not at work for some reason.

The study gave good ground for the actions mentioned above and even for the board of leaders to understand what HR is actually doing and spending their time on. After the results were presented to the board it resulted in higher understanding for HR tasks and the lack of time and resources. So all and all positive effects.

From strategic human resource management point of view, there should be stydies like this in other companies as well. It was so obvious after the analysis, wat HR was doing, wasn´t doing, should be doing, shouldn´t be oing and what the manager´s role was and should be when it comes to HR related issues. Most importantly HR should define their wanted position befre conducting this kind of study. That I feel tha we didn´t quite do in our case, but this thesis will help with that aspect.

LITERATURE REVIEW

This chapter reviews the literature from the two approaches that are central to this study: strategy and human resource management (HRM). Strategy as a concept is interesting topic in itself and when it is combined to HRM approach it becomes closely linked to the whole essence of this study. The chapter begins with the concept of strategy in business. What does it really mean and how it is described in literature? The second part of this chapter will concentrate on HRM and how it is seen in strategic context.

2.1 The concept of strategy

In management studies, the term 'strategy' has originally been adopted as a metaphor. The word 'strategy' originated in studies of warfare. (Lundy & Cowling 1996, 16.) Lundy and Cowling (1996, 17) also identify five elements in strategy:

- •Leading

- • Positioning

- • Deploying resources

- •Securing competitive advantage

- •Achieving success in the prevailing environment.

The word strategy actually comes from the Greek language and refers to a leader or a general.

Linstead et al.´s (2004, 498-99) rationalist model of strategic management
has its main assumption in managers having access to all the relevant infor- mation necessary to make informed long-term decisions about their organization and possess the power to implement their decisions. Strategy is therefore an objective planning process. Their reconfigurations model acknowledges that rational decision-making is actually very often bounded because managers do not have all the information they need to make decisions.

The postmodern approach described by Linstead et al. (2004, 499-500) describes strategy as an attempt to direct and interpret organizational discourse. In this perspective strategy does not represent a rational decision-making process at all. It is more of an attempt to create descriptions that will support existing power relations within an organization.

Linstead et al. (2004, 497-500) capture an issue that is central to this study, which is the difference between the rational concept of strategy that informs most prescriptive writing on the subject and the reconfigurations and postmodern approaches that are more and more underpinning the contempo- rary strategic management scholarship.

The rationalist approach has dominated strategic discussions and
contains the majority of the key elements that many managers would consider as universally applicable ways to formulate strategy.

Prescriptive writing about strategic management is based on a rational model that indicates that managers have information and power. On the other hand, contemporary ways of thinking suggest that this frame is misleading and that in fact managers are only some of many actors engaged in a continuous process that accounts for organizational outcomes.

The issue of interest for this study is the extent to which managers themselves are aware of this inconsistency between prescription and reality and the nature of their reaction.

Of particular interest for the purposes of this study, is how the rational strategy affects HRM. Before considering those implications, it would be useful to explore in more detail some of the many questions that have been explored within the study of strategic management. (Lovell 2009, 32.)

2.2 Strategy and HRM

HRM evolved from what used to be known as personnel management (Beaumont 1992, 20). A distinguishing feature of personnel management was its functional, non-strategic nature. Functions such as recruitment and training were administered independently. Influencing employee behavior, especially by increasing productivity, was regarded as a technical capability to be improved through research. (Delery & Shaw 2001, 506.)

Earlier literature consists of the effects on firm performance of the way in which people were treated at work tended to be ignored, such as accounts of improved employee satisfaction in companies that practice welfare capitalism

a union-avoidance measure (Kaufman 2001a, 341).

Kaufman (2001b, 356) believes that the interest in strategic management since the 1980s had a dramatic impact on the development of HRM, because it em- phasized the importance of treating employees not as a homogeneous input to the production process but as a resource whose quality and quantity of output was capable of deliberate manipulation. Over the last 20 years, two propositions have gained wide acceptance in the HRM literature. The first is that HRM should be managed strategically, in that HRM practices should complement an organi- zation's overall strategy. The second is that a set of HRM practices can be de- scribed which collectively constitute SHRM.

2.3 Matching HRM to organizational strategy

Strategy is concerned amongst other things with the allocation of an organization's resources and for most organizations employees are an essential resource. At this very basic analytical level, the connection between strategy and people is clear. However, people are not resources that can be acquired, modified and disposed of in the same way as other elements in the production of goods and services. Organizations can employ people but the amount and quality of the work that those people do is not something that can be controlled by management. Consequently, managers have to implement practices that produce the desired behavior on the part of employees. (Lovell 2009, 29-30.)

What might be called the elementary perspective on HRM can be summarized as follows. Firstly, employees are important assets in which enterprises typically invest considerable amount of time and money. Secondly, enterprises whose employees perform poorly can expect to suffer a competitive disadvantage Thirdly, it follows that managers should pay attention to managing HR by learn- ing how to do it effectively, instead of acting as if employees were joined to the enterprise by nothing more than an economic or a legal relationship. In this con- text, effectively means learning state of the art HRM techniques: '"good practice" which all employers should follow irrespective of business circumstances (Purcell & Ahlstrand 1994, 63.)

If employees are managed using the recommended HRM practices, they will be highly satisfied with their jobs, strongly motivated, loyal and less likely to leave, more attentive to timekeeping, and so on. Sometimes an explicit link will be drawn between these outcomes and enterprise performance. Sometimes the connection will be unstated, presumably because it is regarded as self-evident. (Delery & Shaw 2001, 174.)

2.4 Strategic human resource management

Strategic human resource management (SHRM) is a comparatively recent concept in both the theory and practice of management. Labor economics contributed the perspective of human capital and the desirability of maximizing employee productivity, while organizational behavior studies of the sources of organizational performance have incrementally absorbed the psychologies of individual motivation and group processes and their relationships with the various conceptions of organizational strategy. That is why it is not very surpris- ing that representatives of different disciplines have examined SHRM through very different lenses. (Lovell 2009, 30.)

2.4.1 The emergence of SHRM

The human resource function has evolved over the years from the labor officer, to the personnel officer, personnel manager and the human resource manager of today. The change in terminology also suggests a change in the objectives and boundaries of the function.

The dynamic and competitive business environment resulting from globalization has led a new focus on how human resource should be organized and man- aged. This has led to the emergence and increase in the use of the term strate- gic human resource management (SHRM). There has now been a visible con- vergence between HRM and strategy. (Shaikh 2011, 2.)

Over recent years, most HRM scholars have advocated a particular strategic concept of HRM. The strategic element consists firstly of co-ordinating each separate HRM activity – recruitment, selection, rewards management, training and so on – so that they complement each other, thus maximizing the favorable employee behavioral outcomes mentioned earlier. (Becker & Huselid 1998, 55.)

This is referred to as internal fit.

The second strategic requirement is to give HRM a place in overall enterprise management, so that other management decisions take account of HR implications. Over time, these propositions have gained wide acceptance as SHRM. (Lovell 2009, 35.)

A rational approach to strategy underpins SHRM, with its assumptions that strategy is something developed and implemented by a small group of senior managers. In the SHRM model, an HR manager is part of that senior management group. Employees should be managed in ways that match outcomes to the objectives driving corporate and business strategy.

(Becker & Huselid 1998, 55.)
According to Schuler et al. (2001, 121): the four main tasks of HR are:

- •Managing employee assignments and opportunities
- •Managing employee competencies
- •Managing employee behaviors
- •Managing employee motivation

Beer & Eisenstat (2000, 29) assert that companies have long known that, to be competitive, they must develop a good strategy and then realign structure, sys- tems, leadership behavior, HR policies, culture, values and management pro- cesses. According to this enterprises need to develop and implement a set of procedures that best accommodate broader strategic goals (Becker & Huselid 1998, 58).

2.4.2 SHRM: What does it mean in practice?

Personnel management has evolved into human resource management (HRM) and more recently into strategic HRM (SHRM). This transformation is easily seen in literature but much less is known about the extent to which it has been used in management practices in organizations. It is not very measurable and that is why there are no hard facts.

Strategic human resource management means that HR is business partner with the various business groups to provide guidance, consultation, and direction regarding employee relations, performance management, development, staffing needs, and organizational changes. It is also important that HR develop strong relationships across all levels of the organization and act as a trusted and val- ued business partner that ensures the integration of HR programs with business strategies and ensure compliance with local laws.

Organizations that can effectively influence the behaviors and motivation of their employees through human resource management systems will be able to in- crease their performance and viability (Huselid 1995, 635).

The role of human resource management in gaining competitive advantage has been discussed in the western literature since the early eighties. Many studies have been conducted regarding how companies can gain a sustainable com- petitive advantage through their human resources and human resource man- agement practices.

The studies have empirically proved the relationship between strategic human resource management and firm performance. There has been a positive rela- tionship between HRM practices and firm financial performance. As long as there is a financial gaining as the ultimate goal, there will be interest in develop- ing strategic human resource management in companies.

Researchers have been addressing the link between HRM practices and com- petitive advantage. They have argued that human resource management prac- tices can contribute to competitive advantage in so far as they elicit and rein- force the set of role behavior that results in lowering costs, enhancing product differentiation or both. This perspective has contributed enormously to the theo- ry, research and practice in the field of strategic HRM.

Since 1990's there has been an increased focus on the strategic role of HRM. The strategic approach to human resource management refers to the human resource practices and strategic objectives of the firm. This view has become more significant in today's knowledge economy that depends upon the skill and knowledge of the workforce. From being a routine and reactive function the HR function has evolved to being proactive and strategic.

2.4.3 Organizational change and its impact on business management and HR management

Today's organization is increasingly an expertise- based organization, and going towards being a service organization from a manufacturing one. Both of these trends place special emphasis on people, their competencies, and the compe- tencies of the entire organization. Organizations have started to develop operat- ing models and practices to meet toughening competence demands that need to be developed at an ever faster pace. In the academic world, researchers have increasingly started to focus on theories and models that address corporate competence and human resource management and development. (Laakso-Manninen & Viitala 2007, 6.)

According to Laakso-Manninen (2007, 8) there is a paradigm shift in business management. The whole organizational environment has changed and become both more demanding and more flexible. People are no longer expected to stay for their entire life in the same work place and the demand for faster and more complex competence development, both when it comes to employees and leaders, is a fact. One is expected to gain higher level of competence in a shorter time than before. This puts a lot of pressure both to HR and to the business itself to manage this type of expectations. HR needs also to keep up with the demands regarding its own development. Depending on the industry, competence development needs to be at least one step ahead and continuously adapted to changes. Certain competencies become insufficient in quite a fast pace, especially in the IT-field.

Only a few years ago it became widely acknowledged, that continuous learning plays a crucial role in company success. The root competencies were recog- nized as: strategic competence, core ability and core capability. (Laakso- Manninen 2007, 9.)

Below, there is a description of various approaches to competence management. Research and debate on knowledge management has run closely in parallel to these approaches. In contrast to competence management, however, knowledge management is more technical in nature and
addresses the question of how IT systems can support the acquisition, processing and dissemination of information within companies. (Laakso- Manninen 2007, 10.)

Table 1. Key approaches to competence management (Laakso-Manninen 2007, 10).

The new theories and approaches shown in the table above have focused on the identification and development of core competencies on the one hand, and on the development of the company knowledge base on the other. The theories and approaches have their own backgrounds and manifest a variety of benefits. (Laakso-Manninen 2007, 10.)

A key challenge faced by organizations is the question of how to integrate traditional human resource development activities with the strategic
view point. This needs a changing role for human resource management. Human resource departments were in the past often accused of

setting up systems isolated from the rest of the organization. To be able
to integrate human resource issues with top management's vision of a company's future, the department should own a more strategic role.
Human resource development is one of the most important factors contributing to future competitive advantage. (Laakso-Manninen 2007, 11.)

2.4.4 The four roles of HR

Dave Ulrich identifies four distinct roles of HR professional that may add value to a business and create sustainable competitive advantage. There is a definition of these four different roles in HR management. By fulfilling these four roles HR managers are able to act as business partners. HR professionals need to be able to adapt both strategic and operational ways of working both in short-term and long-term goal perspective.

The tasks of HR have the dimensions from managing processes to managing people and the four roles of HR are defined by these two dimensions (Ulrich 2007, 46.) In understanding the four roles one needs to take three different fac- tors into consideration. The goal of the role, the typical name and image of the role and the tasks connected to the role. (Ulrich 2007,47.) These four roles are presented in the picture below.

Picture 3. The four HR roles by Ulrich.

The four roles can be explained according to following:

1. Strategic partner role, where HR helps turning strategy into results by building organizations that create value

2. Change agent role, where HR helps to make change happen fast

3. Employee champion role, where HR manages the talent or the intellectual capital within a company

4. Administrative role, where HR tries to get things to happen better, faster and cheaper

Combining HR strategies and practices with the business strategy is the key in the role of becoming strategic partner. That includes understanding the business and contributing to the results of business strategies. To be able to achieve this

goal for HR to become strategic partner it is crucial that HR is involved in both strategic planning and execution. Involving HR in this way impacts the positive effects of HR in the business strategy implementation.
(Ulrich 2007,48-49.)

There is always some kind of strategy in all areas of business. HR professionals should be able to recognize the practices that help and support the business strategy. This recognition is known as organizational analysis, which is a process that helps finding out the strengths and weakness of the business. (Ulrich 2007,49-50.)

HR is also expected to create HR strategy, which is linked to the overall business strategy. That way it is easier to define which HR processes are important and focus areas and how they actually support the organization. In most cases the operational HR actions are part of overall strategic work, but it is rarely seen that way.

2.5 Finnish society in the context of expertise-based competitive advantage

The success of Finnish companies and organizations can be said to be uniquely based on the emphasis given to personnel wellbeing and development. The success of the Finnish economy has likewise been built on a strategy of excellence and highly qualified competencies within the workforce. Finnish society values education very highly. There are very few drop-outs. In this light, education standards and therefore also the competence base for companies is very good when they recruit human resources in Finland. (Laakso-Manninen 2007, 11.)

Regarding to competence management in the organizations, there can be made a number of conclusions. A HR development system that integrates a compa- ny's core competencies, knowledge base and the personal dimension typically includes the following elements:

•Formulation and communication of the company vision

•Identification of the company's core competencies, past and future

•Identification of current expertise

•Personal development discussions

•Performance management and scorecards

•Developmental dialogue on the corporate level

•Strategies and systems for knowledge transfer

•Human resource development methods. (Laakso-Manninen 2007, 14.)

To be able to integrate human resource issues with top management's vision of the company's future, the HR department should have more strategic role.

HR development is one of the most important factors contributing to future com- petitive advantage. We still need to ask how to make HR development systemat- ic and bring it in line with the corporate vision. (Laakso-Manninen 2007, 11.)

CASE TRIFORCE

This thesis is done for a company called Triforce in order to get a clearer picture of the current role of HR and the manager´s expectations on HR when it comes to practicing strategic human resource management.

3.1 Triforce the company

Triforce is an IT-system integrator that offers its customers Secure IT infrastructure at the forefront of technology. The core-business is networking and security. The biggest departments are sales and consulting. There ate also a lot of technicians, administrators in different forms. These areas are divided in four regions (east, middle, north and south), STAB, Business Areas, Unified Communication and Maintenance.

The company is 36-years old and owned by a large scale telecom company called TeliaSonera since 2007. Triforce is divided in two countries Sweden and Finland, but both countries work independently. There are approximately 700 employees in Sweden and roughly 100 in Finland. The company has grown fast the latest years both organically and by acquisitions. This has put a lot of pressure in the HR department during the years as the amount of employees has rapidly become larger.

Triforce´s business model is to offer medium-sized and large companies and organizations greater efficiency and reduced risk by offering total solutions within data, video and telecommunication. The solutions are based on understanding of the business' needs, in-depth technical know-how and the best available products via partnership with the world's leading IT suppliers. Triforce works closely with our customers to develop tailor made solutions with them.

There are different areas that Triforce can provide expertise in to their customers. These areas are presented in the picture below.

Networking is the core business and all the other parts in the wheel complement the core. Networking is necessary in order to be able to deliver the other parts to the customers.

3.2 The journey of Triforce

Triforce has been through many big changes during the years. I take into consideration the years that I have worked in Triforce (2007-2014) and 2007 is also when TeliaSonera took the ownership of Triforce so it is a huge milestone.

There has been small and big acquisitions during the years and on top of that also organic growth. This has resulted in that the company grew very rapidly. The growth has resulted in four times the amount of employees in eight years.

This has put a lot of pressure on the HR department as HR hasn´t grown in the same phase. We were only two people working within HR until 2010, when the head count had already gone close to 500 people. The workload has been almost unbearable at times and there has not been much room for proactivity or strategic partnership because of the operational pressure. I think the key factor in order to keep HR important to the company has been the influence that the former HR Director has had in form of board member. HR is not seen as something that generates direct income to the company and that is why it has been a struggle to make all the business minded gentlemen to understand the importance of HR processes and the indirect monetary perspective to it.

A part from all the acquisitions there has been some major changes that have impacted the company during the last year. There was a smaller scale redundancy based on competency shift in 2013. This was for the first time in the company´s history with our last CEO (2003-2013) when this has happened. Even though the owner TeliaSonera has had several redundancies it was something that people in Triforce had hard time to relate to. This unexpected process gave some negative vibes for a couple of weeks. Soon after that there was a very unexpected and fast change of CEO, which has more or less affected the whole company´s culture. I would say it still does in different ways.

The biggest change that is going on in Triforce at the moment is the more intense integration going on with the owner TeliaSonera. The goal is to get more synergy effects but the reality is that it takes time and there is a lot of resistance to it, mostly because people experience the integration as losing the freedom and flexibility that have been the key factors for Triforce´s success. This is something that the HR department has to work with very closely to the board of leaders and the CEO in order to make the transition as smooth as possible. There will be some challenging years ahead.

Triforce has a new strategy and values, which are part of TeliaSonera´s strategy work. This is part of the integration that the two companies are working with. It is one of the biggest challenges that Triforce has ahead and it can have an
impact on retaining people. There has been a larger turnover in exits this year than the years before as well.

3.4 Cultural differences between Finland and Sweden in the context of companies' competencies and well-being from strategic HR point of view

Even though Finland and Sweden are close to each other doesn´t mean that the working life is the same. First of all, Sweden and Finland still differ in hierarchy thinking in a way that managers have a higher

status in Finland and in Sweden they are seen more as leaders. This also means that ways of working and employee satisfaction may reflect this difference.

Based on personal experience and observation decision making in Sweden is mostly reached by consensus, which means that major part has to agree on the topic. In Finland it is more accepted that a manager makes the decision. This might affect the feeling of being a part of the decision and supporting it all the way. Silent acceptance is quite common in Finland, even though employees tend to talk about these things with each other and express their opinion about the decision, even though they might not be able to change it.

In general, working-life is highly appreciated in both countries and status in the company is important, thus not as important as in e.g. Denmark. Both countries have demanding working environments and there have been historically many redundancies especially in bigger companies, such as Nokia and Volvo. That has put a little bit of fear when it comes to seeing working-life as safe.

People are highly educated in both countries, possibly slightly higher in Finland, where education is somewhat more demanded when applying for jobs.

Well-being in form of work life and private life balance is equally important in both countries, according to my experience.

There is very little literature available, when it comes to Swedish competence management and well-being, but in Finland Laakso-Manninen (2007) has published a study touching this subject from a competence advantage point of view.

OBJECTIVES AND GOALS

The hypotheses in this study are based on the former analysis that has given indications to some assumptions and that is the starting point even in creating the objectives in this thesis.

4.1 Objectives of the thesis

The objectives are formulated in the research questions that were already mentioned in the beginning.

The research questions are based on following objectives:

•What does it mean to be strategic HR?

•Is HR seen as more operational or strategic function in the company today both by managers and HR? Is there a need to be more strategic?

•What are the most important tools for HR to become a business partner or to retain the role?

•How is HR strategy aligned with the company´s business strategy?

Both the questionnaire and the personal interviews, will give both manager´s and HR´s view on these questions and hopefully will help the HR organization to get a picture of the current situation and tools to develop in to the wanted direction in the future. As a help in that they will have my analysis and development proposals based on the answers.

4.2 Goals

The main goal with this study is to give Triforce´s HR a reality check, both when it comes to the current situation based on answers both from themselves and the managers. There is also a goal of giving some development proposals based on the answers and the theoretical framework. I believe it is crucial for the company´s future to guarantee that HR and the managers have the same view on HR delivery model as HR themselves.

It is also important that the purpose of HR, both from strategic point of view and the company´s needs is aligned. There is a turning point in many ways, when the HR team is quite new and the company is in transition in form of closer integration with the owner. There are also risks, such as higher amount of resigns than before, which makes it even more important to have common HR goals and actions with the managers in order to retain personnel.

My personal goal is to give Triforce HR a canvas to work with. Something concrete to build a HR strategy and action plans on. I hope my findings will support that work and give some new ways of thinking going forward. I personally, won´t be left in the company so this thesis is my heritage to the rest of the HR in a way.

DATA COLLECTION AND ANALYZING THE RESULTS

Data collection has conducted by using secondary resources and analysising the HR policies of Triforce .

The findings offer useful insights into the Human Resources work and if it is seen as more strategic or operational today. Managers (both line and senior) agreed on the importance of HR being more strategic and involved in both busi- ness strategies and the business itself. The fact is that the answers show, that not all of the manager´s think that´s the case today, especially the senior ones.

Managers also think that it is important that HR see themselves as strategic partner and not only operational. I think the answers are aligned with HR´s own view on wanting to see themselves as a strategic partner, but also realizing that they are not there yet. There is a very relevant finding to work further with. Where in the four roles by Ulrich HR wants to be and be seen the most?

HR has quite a realistic picture of their role. They think that they are not strategic all the way, but also see the strategic dimension in all the operational work that is done. There isn´t really expectations of becoming 100 % strategic either. The HR has also a realistic picture of what they are expected to deliver and how their role is seen today and is wished to be. They also are aware of their competencies and how HR processes can add value to the overall business.

If we look at the answers by reflecting to Dave Ulrich's model of the four roles of HR, it is obvious that Triforce´s HR still struggles with spending too much time as administrative expert and less as strategic partner and change agent. Being employee champion is something that I would say is also quite strong part of the HR role in Triforce. It is more of personal experience than obvious in the given answers.

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If we reflect the answers and my personal experience to the growing need of competence development and well-being mentioned in the theory part (Laakso- Mannila 2007), I would say that HR understands their role in this, but they lack time and resources to act proactively. In the end it is all about people, attracting them, retaining and developing them and in some cases finding ways for exit, if wanted results are not delivered.

If we look at the requirements of the future competencies by Laakso-Mannila (2007) there should be big emphasis on the strategic side of the four HR roles, combined with the change agent. When future demands require fast pace competency development and changes it should be the main focus and have clear connection to the whole company´s strategy. This together balancing the well-being part and having healthy work life vs. private life balance, HR should also have relatively big emphasis on the employee champion role as well.

As said before, to become a business partner, HR should have all of the four roles, but in my opinion there should be prioritization. Administration will always be part of HR tasks, but it shouldn´t be the focus are, it should just function automatically. In bigger companies there are HR organization parts that primarily work with only administration, which gives more strategic playground to rest of the HR organization.

The four roles of HR in Ulrich´s model are even seen in the answers of the respondents. There is a strong administrative role still hanging over HR´s

reputation in the organization and HR is not yet seen as strategic as they are expected to be.

Some of the managers have though seen strategic features as well and most of

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them think it is important that HR has a strategic role. Mostly line managers were more positive in their view on how strategic HR is today. Most of the line managers thought that HR is somewhat strategic, but still lacks some business knowledge and that is one of the main reasons why HR still is seen more operational than strategic. Many line managers work very closely to HR, within recruitment, rehabilitation, administration, negotiations, redundancies, acquisitions and so on.

Senior managers were more skeptical in their answers and they were generally more of the opinion that HR is more operational and supportive than strategic function. Still, they seem to see it important that HR would be more involved in the daily business and have more strategic approach. HR is not naturally invited to strategic decision forums, but because they now are parts of the management teams it is more natural to get access to these forums. It should be utilized in the right way from both sides in order to get the best synergies for the company´s best interest.

Most of the line managers feel at least that they get the support they need and want. A few line manager´s experience that HR doesn´t have enough time to help them and that the HR department is too small in comparison to the company´s size. This is something that needs to be seen more closely into, with the knowledge that there is fast growing planned ahead and it is expected that the company´s personnel is planned to grow from 700 to 1000 within two years and the administrative burden that occupies loads of HR´s time.

There is a huge difference in personalities of the line managers and their group size. Some are very independent and want to do most of the tasks without any help. Some want to discuss various details and get support all the way. In daily discussions with line manager´s it has seemed that they are happy with the

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support they get and the quality HR delivers. Overall, HR is appreciated among line managers. There are few that have other expectations and would rather need an assistant in different administrative tasks than HR support. That is a false approach I would say and needs to be clarified with these particular managers.

HR thinks more that they already are working strategically than overall picture from the manager´s thoughts give. HR representatives are members in every regions manager team; they are involved in different types of change management activities from early on, mostly because these need to be negotiated with the trade unions. HR also takes part in business cases, when Triforce is part of a bidding process. HR is very involved in acquisitions as well, actually has a central role in taking over companies including personnel. I understand that it might be hard for some managers to see, because they do not always know what kind of issues HR is involved with.

Both HR and manager´s lack some of the main ingredients of Huselids theory of how organizations that can effectively influence the behaviors and motivation of their employees through human resource management systems and that way will be able to increase their performance and viability. It is not clearly seen in the discussions or in the answers in the questionnaire that both parties understand the importance of motivating people in order to become more successful as a company. That view is of grate importance and should be the core in strategic HR thinking.

Also the importance of Laakso-Mannilas (2007) achieving competitive advantage through competence management should be something to bring up in the management teams. That is something that every company wants to achieve and if it is clearly proven how to gain that type of success it should be in both managers and HR´s interest to find the best way there.

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Very rarely have I seen pure theories been used in companies as they are in books, but selling the idea shouldn´t be a problem. It is up to the company to formulate their own way there according to the basic idea, which is something for the HR to think about and drive.

At one time there was a note that it was better before, meaning that HR functioned better with the old group setting. That is actually very positive, that it only was one person referring to that. It gives the new group better self-confidence and they can concentrate on right actions when it comes to becoming a business partner.

Many managers emphasized the importance of people, which is the core of human resources. That is nice to see in a very business-driven company, that they actually see the value of human capital and not just money aspects. They have realized the importance of recruiting right, developing and retaining right competencies and that HR can bring value to these processes.

I have to say that the journey from 2007, when I started as HR in Triforce until today has been interesting and it has taken a lot of energy to get the manager ́s to realize, how HR can bring value to the business. The answers show that they slowly have become more positive and understanding towards HR. The more mutual HR issues there have been the more understanding they have, I would say.

The survey and the interviews gave some different perspectives to the research question what it does it mean to be strategic HR. HR themselves think it is almost everything they do and managers see it more as understanding the business and being involved in strategic planning and questions. Both think that

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it is important for HR to be strategic, although HR thinks it is not possible to become 100% strategic.

The second research question, if HR is more operational or strategic function today and if there is need to be more strategic was also answered by both man- agers and HR. It is still so, that HR is seen a little too operational as it is today. It is mostly because of their small size and role that includes being so called HR services as well as a business partner. Both managers and HR agree that it is important that HR increases the strategic part.

The third research question was about the most important tools for HR to become a business partner or to retain the role. Actually, this question is not clearly answered either in the survey for managers or in the HR interview. The main finding attached to this question was the need for HR to understand the business in order to become strategic partner. I would say the tools are included in form of suggestions in the development plan and based on the answers and reflections from the survey.

The last research question was: How is HR strategy aligned with the company ́s business strategy? There was a direct question connected to this in the survey and most of the managers agreed upon that HR works to align HR and business strategy. However, it also was almost the same amount of managers who didn ́t agree or disagree, which means they were uncertain if it is the case. So, it is not clear enough in the organization yet and there is some work to do for HR to align these strategies.

All and all, the findings answer to the research questions and it is obvious that there is still a lot for HR to do in order to reach the position of appreciated business partner in the company.

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7 DEVELOPMENT PROPOSALS

There are some questions HR should ask themselves to be able to start the work of becoming a recognized strategic partner in the company. Which of the Ulrich ́s four HR roles are the most important, strategic partner, administrative expert, change agent or employee champion? Is it more important for Triforce ́s HR to be strategic or operational as it is today? What is the current situation and which of the roles are important to put more effort on and how? These should be the starting questions when creating the HR strategy and goals.

Surprisingly, there was a gap between the view on HR´s role from senior managers` and HR´s own point of view. That I would say is where HR should put it´s effort on to begin with. The fact that is not seen in the enquiry is the difference in the opinions compared with how HR looked like before with the former HR director and two persons and how it looks like now with new HR director and three HR managers.

Only one manager´s answer refers to this by expressing that it was better before and HR is losing their role in the company. True or not, it is important to make sure that it isn´t the case in other manager´s minds and take some actions to strengthen the strategic role of HR in Triforce. This work should start with the board of leaders, where it was more relevant that HR is not seen as a business partner.

Preferable actions could be for example strengthening participation in different business meetings in different levels. By that meaning not only being part of leader boards, but also being involved in line manager´s own meetings or business plans. This way both senior managers and line managers would see that HR is willing to understand their everyday struggles and also getting deeper knowledge of the business in different parts of the company.

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It is important that HR builds good relationship with the managers, both to get more detailed knowledge of the business and the everyday struggles and also to gain trust in a higher level. Monthly/quarterly/yearly meetings booked with both line managers and senior managers could be one way to approach this.

It is also important that HR is more visible to the company. That can be handled in many different ways, but some suggestions could be physically sitting closer to business and not as a group in own area far from where it all happens. This might automatically be something that is going to be different in 2016 when the whole company moves to a building closer to the owner TeliaSonera. There will not be any rooms or private tables and people will have mobile working places every day. It will be quite challenging to HR in the beginning, mostly because of the need of privacy in forms of sensitive discussion topics and private meetings with employees and managers. In the end it still might be a better way to both of the development proposals, see the business closer and to be seen more.

It could be a good idea to somehow measure the opinions of managers again at some point. That would give an indication of weather HR is going to the wanted direction or not. The questions will be accessible to HR if they will see it interesting in the future. If the same questions are not an option then there are other ways to find out where HR is heading. Asking straight in the board meetings or sending a short questionnaire to all managers through an internal system or an email if it is not important to have anonymous answers. The risk of getting a fewer answers is of course higher in that case.

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HR also needs to take a discussion how they are moving forward and what the goal is. Is it preferred or even possible to be seen as business partner with

today´s HR challenges? The strategy of going forward as HR at Triforce should be linked to the overall HR strategy on higher level. An action plan including some of the suggestions here would probably be a good starting point to develop HR to the preferred direction after the goals are set. Having a good co-operation and understanding of HR´s contribution in the management groups should be crystal clear. To

make sure of that HR has a slot in every meeting, where they can present important issues and not be prioritized, which often is the case.

With these words I hope that HR in Triforce, will have some ideas how to go further with their journey. I wish them all the luck and hope to see some further development during the becoming year.

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