

TALLINN UNIVERSITY OF TECHNOLOGY

Faculty of Social Sciences

Department of Industrial Psychology

Maio Sirel

HUMAN RECOURCE FUNCTION ROLE, COMPETENCES AND THEIR CONFORMITY
WITH BUSINESS MANAGERS EXPECTATIONS BASED ON ABB BALTICS

Master thesis

(Student code 142155HAPM)

Supervisor: Taimi Elenurm, MBA, MA

Tallinn 2016

Deklareerin, et käesolev magistritöö,
mis on minu iseseisva töö tulemus,
on esitatud Tallinna Tehnikaülikooli
magistrikraadi taotlemiseks ja selle alusel
ei ole varem taotletud akadeemilist kraadi.

Autor Maio Sirel

“ “ 2016

Töö vastab kehtivatele nõuetele

Juhendaja MBA, MA Taimi Elenurm

“ “ 2016

Kaitsmisele lubatud “ “ 2016

Personalitöö ja -arenduse magistritööde kaitsmiskomisjoni esimees professor Mare Teichmann

ABSTRACT

The changes in business have changed the role of HR function. Nowadays it is important that HR professionals have the needed competencies to perform successfully and add value to businesses. HR Manager is equally important as Finance Manager in a company (Ulrich, 2015). Today's businesses need HR professionals who can contribute strategically to the organization (Akatay et al., 2015). This thesis gives the overview of HR competences development over the last three decades. Through history HR most important competencies have been personal credibility, change management and business knowledge, after year 2000 also talent management, strategy and using IT technology in HR actions (Ulrich et al., 2015). Guest and Conway (2011) and Guthrie et al. (2011) showed that the more HR department in organization encourages the so-called high-performance HR practices, the more HR function is valued and seen by senior managers.

Research of the theses is conducted in ABB Baltic organization. The topic is vital because HR function has suffered major drop in feedback during 2015 annual internal satisfaction survey, this shows that managers are not satisfied with HR function work. Purpose of the theses was to find out how well HR work is aligned with latest HR competence models; what are managers expectations to HR function and make proposals how HR function work could be better organized, which competences need more development to increase the internal customer satisfaction level. The research results show that HR should increase their business knowledge competence, be more proactive and flexible and consider more business input and needs in all HR topics. Authors' proposal to HR function is to build common vision as one Baltic HR team with common annual targets and action plan to be followed up. Roles and responsibilities inside HR function can be clarified with building up responsibility matrix.

Subject terms: HR competences; HR function; NPS; HRM

LÜHIKOKKUVÕTE

“PERSONALIÜKSUSE ROLL, COMPETENTSID JA NENDE VASTAVUS ÄRIJUHTIDE OOTUSTELE ABB BALTIKUMI NÄITEL”

Maio Sirel

Muudatused ärielus on muutnud personalitöö rolli. Tänapäeval on oluline, et personalitöö ala professionaalidel on olemas vajalikud kompetentsid, et teha oma tööd hästi ja anda äritegevusele lisaväärtust. Personalijuhi roll on ettevõttes sama väärtuslik kui finantsjuhi oma (Ulrich, 2015). Organisatsioonid täna vajavad personaliala professionaale, kes saavad strateegiliselt panustada organisatsiooni tegevusesse (Akatay et al., 2015). Käesolev magistritöö annab ülevaate personalitöötajate kompetentside arengust viimase kolmekümne aasta vältel. Läbi ajaloo personalitöötajate kõige olulisemad kompetentsid on olnud isiklik usaldusväarsus, muudatuste juhtimine ja äriteadmised. Peale aastat 2000 lisandusid ka talendijuhtimine, strateegiline personalijuhtimine ja IT süsteemide kasutamine personaliprotsessides (Ulrich et al, 2015). Guest ja Conway (2011) ja Guthrie et al. (2011) näitasid, et mida rohkem personaliosakond organisatsioonis julgustab nii öelda kõrge töösoorituse praktikaid, seda enam personaliosakonna töö on väärtustatud ja märgatud kõrgema taseme juhtkonna poolt.

Uurimuslik osa magistritööst on tehtud ABB Baltikumi organisatsioonis. Teema on oluline uurida, kuna Baltikumi personalifunktsioon on 2015. aasta ettevõtte siseses kliendi tagasiside uuringus kannatanud tugeva languse all, mis näitab, et juhid ei ole rahul personaliosakonna tööga. Magistritöö raames oli eesmärk välja selgitada kui hästi on personaliüksuse töö kooskõlas viimaste personalitöö kompetentsimudelitega, millised on juhtide ootused personaliüksusele ning teha ettepanekuid, kuidas personaliüksuse töö võiks olla

paremini korraldatud ja milliseid kompetentsid vajavad arendamist, et tõsta sisemiste klientide rahuolu taset. Uurimustöö tulemused näitavad, et personaliüksuse töötajad peaksid tõstma oma äriteadmiste taset, olema pro-aktiivsemad ja paindlikumad ning arvestama rohkem äripoole vajaduste ja sisendiga kõikides personaliteemades. Autori ettepanek personaliüksusele on luua üksuse visioon ühise Baltikumi tiimina ning panna paika ühised aastased eesmärgid ja tegevusplaan nende saavutamiseks. Rollid ja vastutused personaliüksuse siseselt on võimalik selgitada luues üksuse sisese vastutusmaatriksi.

Mõisted: personalitöö kompetentsid, personalifunktsioon, personalijuhtimine, NPS

CONTENT

Abstract	3
Lühikokkuvõte.....	4
Introduction	8
1. History of the Human Recourse Competency Model	10
2. HR Competency model in 2012.....	17
2.1 Credible activist	18
2.2 Strategic positioner	19
2.3 Capability builder	20
2.4 Change champion	22
2.5 HR innovator and integrator.....	23
2.6 Technology proponent	24
3. HR Competency model in 2015.....	26
4. Summary of HR competences development over years.....	28
5. Future trends in HR Management.....	29
6. Conclusions of theoretical background and link to research.....	31
7. Research on HR Competences in ABB Baltics	32
7.1 The purpose of the research and assignments	32
7.2 Method and sample description.....	32
7.3 Company introduction.....	35

7.4	Net Promotor Score (NPS) method	36
8.	Results of the research in ABB Baltics	37
8.1	HR NPS Baltic annual survey analyzes conclusions	37
8.2	HR NPS Baltic annual survey additional analyzes conclusions by Author	39
8.3	Interview results analyzes	42
8.3.1	Managers expectations to HR function, their evaluation to HR work.....	42
8.3.2	Managers' expectations to different roles in HR function	45
8.3.3	Communication with HR	48
8.3.4	Technology used for HR activities	51
8.3.5	HR function competences evaluations.....	53
8.4	Discussion, conclusions	58
9.	Resume	63
10.	References.....	66
	Appendices	70
	Appendix 1, HR NPS survey in ABB	70
	Appendix 2, Questionnaire for managers.....	71
	Appendix 3, NPS Red and Green card analyzes	74
	Appendix 4, HR NPS Baltic results 2014, 2015	84
	Appendix 5, HR Competences during years.....	86

INTRODUCTION

In order for a company to exist, develop and serve its purpose, it always needs at least three resources: financial capital, time to act and people or just one person. The larger the organization with greater goals the more resources it needs. Business today is effected by different aspects - generations, economical situation, nature and climate; technology; cultural differences etc. The larger is scope of operations or territory the more complex situation is. These are the few reasons why people is not only considered as a recourse to make business but is one key valuable asset to any organization. This is the reason why human recourse role in organizations has grown to be as important as managing the finances (Ulrich, 2015). In order to be successful you need to have the right people in right place at the right time to make it happen. This thesis focuses on HR function competences and role in organization. Theoretical part gives overview of history of HR competences since 1987 until 2016, what they are and conclusions what has changed and stayed the same during the years.

In the research part, Author is focusing on ABB Baltic HR function performance. In ABB Globally internal functions work as HR, IS, Communication etc. is evaluated through NPS customer satisfaction survey annually. NPS method is a customer loyalty metric where the customers are asked only one simple question that can be rated on scale 0-10 and it divides answerers into promoters, passives and satisfied customers; in addition they can give red and green cards with comments (Reichheld, 2013). This research topic is chosen because NPS in 2015 showed dissatisfaction from managers with HR function work in Baltics when on the same time Global result improved. Furthermore, the turnover in the department is on high level, during last 2 years 11 persons have left the company, currently there is 20 persons working in the department.

The purpose is to explore why the customer satisfaction is dropped, gather managers' expectation to HR and find out possible ways to improve the function work. Author is exploring

how ABB Baltic HR function is aligned with the latest Global HR competency models (The RTL Group, 2015) by analyzing further NPS 2015 results and conducting interviews to gather info and analyze what are the main expectations from high level managers to HR function and how they evaluate HR performance by roles today. Conclusions Author has made give overview what is well and what competences need to be developed in HR function, furthermore make proposals how Baltic HR function could be developed to gain higher satisfaction from customers.

1. HISTORY OF THE HUMAN RECOURSE COMPETENCY MODEL

Over the years, business dynamics have changed and HR role has changed along them. HR has become more involved in business, strategic and agile. Today's businesses need HR professionals who can contribute strategically to the organization (Akatay et al., 2015). Before 1980-s human resource management was more as traditional personnel management. Milcovich and Boudreau in 1990-s urged managers to manage employees with same care and logic than financial and raw material recourses. IT revolution has changed HR role and taken away large portion of manual work, on the same time requirements to quality have been rising (Neetu, Singla, 2015). In Estonia the first initiatives to interpreting new roles in HR and creating an understanding of HR as a professionalism started in the 1990-s (Tepp, 2007). See the key competences of HR function in 1987-2015 by Dave Ulrich and his research team in Table 1. When looking more closely into these competences we see that expectations to HR have grown as business environment has become more complicated and global. Furthermore, generations have changed and are changing now. We have reached the technology age and millennium generation whose thinking differentiates from the 70-90-s generations has entered the employment market.

Basic competences have stayed the same, during years a lot is added and work itself has become more intellectually challenging and complicated. In the next chapters Author has brought a description of competence models from Dave Ulrich and his research team and comparison and links with other researches including Estonian local. In chapter, Summary of HR competences development over years, the connections and biggest changes are described.

In 1980-s HR was stepping out of its traditional role of driving HR transactions and pursuing functional practices, HR then started to be engaged in business helping with managing

the turbulence. Before this time, executives have typically tried to exclude human resources out of strategy equation (Snell, Youndt and Wright, 1996). Thinking towards people changed and in line with this also HR role in organizations changed. People were not any more considered only as “hands and feet” in a production, but as a key resource (Shell et al., 2006). Business knowledge became a part of HR competencies. HR Competency model consisted of next competencies: HR Delivery; Change; Business Knowledge (Ulrich, Younger et al., 2012). See Figure 1.

Table 1
HR competences 1987-2015

1987	1992	1997	2002
Business knowledge	Business knowledge	Business knowledge	Business knowledge
Change	Change	Change	HR Delivery
HR Delivery	HR Delivery	Culture	HR technology
	Personal credibility	HR Delivery	Personal credibility
		Personal credibility	Strategic Contribution

2007	2012	2015
Business ally	Capability builder	Analytics Designer and Interpreter
Credible activist	Change champion	Compliance manager
Culture and Change Stuart	Credible activist	Credible activist
Operational executor	HR innovator and Integrator	Culture and Change champion
Strategy architect	Strategic Positioner	Human capital curator
Talent manager, organization designer	Technology Proponent	Paradox navigator
		Strategic Positioner
		Technology and Media Integrator
		Total reward Stuart

Source: Composed by Author based on Ulrich et al. Competence Models



Figure 1

HR Competency Model, 1987

Source: Composed by Author based on Ulrich et al. Competence Model in 1987

In 1990-s the value add of HR function in organization was not yet totally proven to be existing. The linkage between HR and business performance were not well developed and HR measures not properly formulated to capture the impact on business performance (Yeung, Berman, 1997). Fortunately, some important findings regarding the relationship between HR and business performance were reported in different research studies done in early 1990-s (Arthbur 1994, Huselid 1995, MacDuffie and Krafcik 1992). Connection between competence development run by HR function and business performance started to become more visible to businesses (Lado, Wilson, 1994).

In 1990-s more than ever before organizations started to seek greater creativity and productivity (Losey, 1999). HR people personal credibility emerged as an important domain for HR professionals (Ulrich et al., 1992). See figure 2. To be allowed onto the business playing field, personal credibility became mandatory. In the more globally competitive business environment, HR professionals in high performing companies were spending increasingly more time on strategic HR issues, HR function in low performing organizations was still focusing on operational issues.

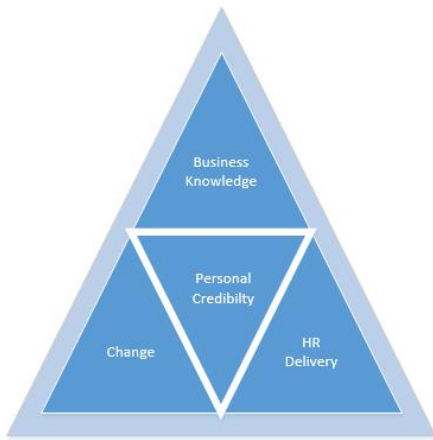


Figure 2

HR Competency Model, 1992

Source: Composed by Author based on Ulrich et al. Competence Model in 1992

In the 1990's business environment in the world changed to **international**. The rate of Foreign Direct Investment (FDI) might be described as 'explosion' (Harrison, 2014). **Cultural management** became highly important to make the organizations win in the marketplace and successfully implement its business strategy. For HR this meant of knowing significantly more about external business realities, that is customers, competitors, industry trends, and globalization (D. Ulrich, Younger, Brockbank, M. Ulrich, 2012). The competence model in 1997 for HR consisted now of: HR Delivery; Change; Business Knowledge; Personal Credibility and Culture. See figure 3.

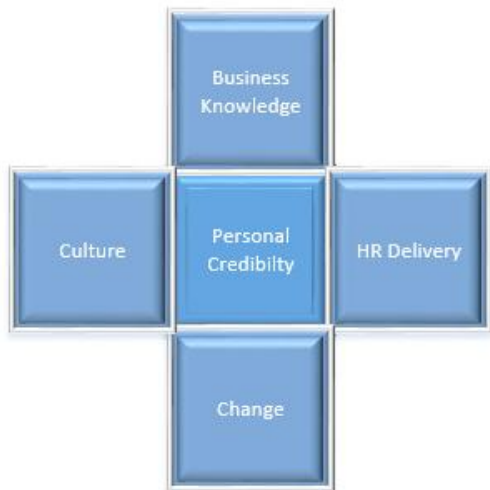


Figure 3

HR Competency Model, 1997, Ulrich et al.

Source: Composed by Author based on Ulrich et al. Competence Model in 1997

In the **early 2000's** another **trend** occurred - it was the **nature of business knowledge**, which was **part of companies' value proposition** and integrated into value chain. Tangible resources that were once competitive advantage remain in business as imperatives. Intangible resources such as HR capital appear to be the new key success to competitive advantage (Carmeli, Schaubroeck, 2006). HR business knowledge was organized around various business functions like IT, finance, marketing etc. **HR took more strategic role** with implementing HR practices in organizations supporting business targets achievement. These practices started to be valued as commitment based actions effecting organizational social climate and knowledge exchange (Smith, Collins, 2006). Organization that searched to improve company performance through increased HR capital were more likely to succeed in fully utilizing employees' capabilities. HR professionals were expected to work with senior managers to structure the organizational architecture and organizational context developing HR designs that build value to business (Carmeli, Schaubroeck, 2006). **Technology usage in HR became a standard saving companies resources.** Human Resources Self-Service/Portal survey (2001) revealed that companies using self-service technologies could reduce HR transactional costs by up to 75% (Bradford, Bell, Sae-Won Lee, 2006). HR's role as **strategic contributor** asserted itself as a central competence. The strategic contributor competency consists of fast change, strategic decision making and market driven connectivity, last one meaning HR professionals

identifying important information from the business environment, amplifying that information across the organization (Ulrich et al., 2002). Heart of HR competency model in 2002 became Strategic Contribution. The model also consisted of: Business knowledge; Personal credibility; HR Delivery and HR Technology. See figure 4.



Figure 4

HR competency model 2002, Ulrich et al.

Source: Composed by Author based on Ulrich et al. Competence Model in 2002

In 2007, Dave Ulrich and his research team found that **building organization capabilities** became defining feature. The process of building organizational capabilities was an integration of three domains. First, as strategic architects HR professionals helped formulate and implement customer-centric business strategy. Second, they built organizational capabilities as empirically represented by culture and change management. Third, they aligned talent and organization design activities with the organizational capabilities that were required by the customer-centric business strategy. See Figure 5. **The center of HR competences became Credible Activist**, who is respected, admired, listened and offers a point of view, takes a position and challenges assumptions by delivering results with integrity, sharing information, building relationships and trust. **Ulrich says "But you can't be a Credible Activist without having all the other competencies. In a sense, it's the whole package."** The Credible Activist is at the heart of what it takes to be an effective HR leader (Grossman, 2007).

Talent management became an **important part** of **HR work**. Companies started to realize the cost of talented employees leaving company and the value of talented, highly skilled employees with specific knowledge. Companies started to take actions towards identifying, attracting and keeping the key talents. In 2010, global recruitment and workforce consulting company Manpower stated in their article “Is Talent Holding You Back? Designing Workforce Strategy for Sustained Business Growth”, that **in this new and complex environment, talent is increasingly the key competitive differentiator**. In less than a decade, people with high-demand skills will be the scarcest resource for companies.

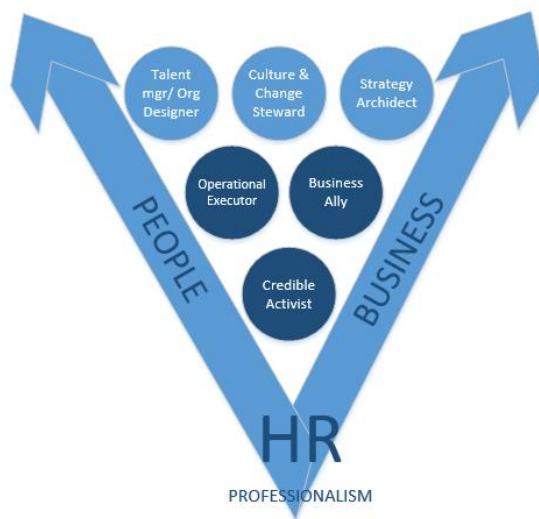


Figure 5

HR competency model, 2007

Source: Composed by Author based on Ulrich et al. Competence Model in 2007

2. HR COMPETENCY MODEL IN 2012

In 2010 and forward most companies had identified HR to be an important part of organization activities and researches had shown **linkage between HR activities and business success**. Guest and Conway (2011) and Guthrie et al. (2011) showed that the more HR department in organization encourages the so-called high-performance HR practices, the more HR function is valued and seen by senior managers. Bjorkman et. al indicated that the more experienced HR manager in organization is, the more general manager of the unit will be supportive to HR polices (Sandersa and Frenkelb, 2011). The human recourses of an organization must be in a constant state of development so the organization is able to survive in a changing environment. Y generation employees (born in 1980-s) insist that work demands are effectively integrated with the employees' personal growth and ethical requirements of the society. Employees expect their career cycle to be a concern of their as well as organizations (Ahmend, Kaushik, 2011).

The Central Europe Research (CEE) in multinational companies (MNC) done by Poór, J., Slavić, A., Berber, N., 2012-2013 shows the importance of HR competencies for business success and proves that HR competencies are liked to business targets achievement. The research done in 254 companies showed that **most important competence for HR Managers is personal credibility**. Business managers were asked to rate the importance of different HR competences in scale 1 (not important) to 4 (highly important). See results in Table 2.

Table 2

The level of importance of HR competences in MNC in CEE

Business knowledge (value chain, value creation)	Strategic contribution (managing culture, championing changes, strategic decisions)	Personal credibility (achieving results, effective relationships, communication skills)	HR services (staffing, T&D, etc.)	Usage of HRIS	Foreign language skills
2,88	2,91	3,30	3,06	2,67	3,13

Source: Composed by Author based on Poór, J., Slavić, A., Berber research

The study in 2012 by Dave Ulrich and his research team identified six domains of HR competency, which together make HR professionalism, these are Credible activist; Strategic positioner; Capability builder; Change champion; Human recourse innovator and integrator; Technology proponent. The **central competence staid personal credibility**. See figure 6.

In further sub chapters the HR competency model by Ulrich et al. from 2012 is opened up in more detail to understand better nowadays managers expectations to HR function.

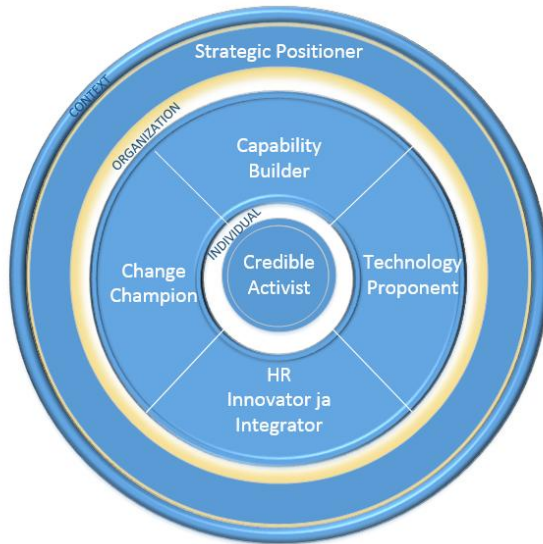


Figure 6

HR Competency model, 2012

Source: Composed by Author based on Ulrich et al. Competence Model in 2012

2.1 Credible activist

As a **core and central competence is credible activist**, which can exist only together with all the other HR competences. It means personal professional competency of HR persons, result based personal trust, having the knowledge of HR work and demonstrating integrity, professional behavior. Personal credibility is the foundation for HR professional to become involved at the strategic level in an organization (Choy, Ismail, Amin, 2010). **HR professionals deliver what they have promised in a professional level**. Nonetheless, HR professionals have to recognize that simply having personal credibility does not mean that they have contributed

optimally to business performance (D. Ulrich, Brockbank, Younger, M. Ulrich). HR professionals acting as Credible Activists have effective interpersonal skills. They are flexible in developing positive chemistry with their key stakeholders and they translate this to influence that contributes to business results. They have created trustful relationship with senior leaders through giving thoughtful opinions and having strong, effecting business decisions. Research on HR competencies in Indian 594 companies executives shows that HR professionals in large organizations demonstrated relatively higher levels of sharing information compared to those working in small and medium organizations. Furthermore, the larger the HR professionals' experience, the higher is the perception of delivering results with integrity and sharing information (Srimannarayana, 2013).

2.2 Strategic positioner

Strategic positioner means HR professionals understand the global business context – the social, political, economic, environmental, technological, and demographic trends that influence their business. They understand their own industries, how it works, the customers, competitors, supplier trends and apply this knowledge to develop their own vision of the future of their own company. They participate in developing customer-focused business strategies and translating the business strategy into annual business plans and goals. HR professionals acting as strategic positioners help place their organization in the business context in which they operate (Ulrich, 2012). **HR role is to create and align workforce strategy with business strategy** and keep it living. It is the HR leader's role to facilitate this process with leadership (Manpower inc., 2010).

In any business strategy, people in organization are more critical than the plan, strategies can be implemented when there are competent people in organization. **Strategic HR work is to secure that organization has the high-performing workforce** that demonstrates the right competences **to meet strategic objectives** and drive business results (Johri, 2014). Strategic HR role in large global organizations are often separated from the operational HR role. For HR Specialists in administrative role this competence may not be needed but for HR Business Partners this is a must competence (Charan, 2014).

Estonian latest management area research in 2015 shows that on average every second HR Manager is involved in working out organizations strategy in the starting point, in one third of organizations HR Manager is involved during working out company strategy. HR Manager is excluded from the process or is included only in strategy implementation phase in every eight organization (Estonian management area research, 2015).

2.3 Capability builder

Capability presents what the **organization is good at and known for**. HR is the one diagnosing the key capabilities and investing in them. This includes culture, values, norms and patterns and bringing this to all employees and customers. Secondly, HR is the one to create the right organization structure. Make organization stronger by upgrading the core competencies of organization, like research and development (R&D), quality, supply chain or other. **HR is the one to align the right kind of training and development programs to build up the key capabilities in organization**. HR professionals who contribute to business success focus on capability building (D. Ulrich, Brockbank, Younger, M. Ulrich). McKinsey Global Survey “Building organizational capabilities” conducted in over 1000 companies in the world in 2010 results show that for 55% of senior leadership teams see that capability building is in the top three priority in the company’s current strategic agenda.

Table 3

Capability building importance

How high a priority is capability building within your company’s strategic agenda currently?

By groups that sets the capability building agenda*

	Total, n= 1 440	Senior leadership team, n=604	Business unit leaders, n=320	Individuals, n=121	HR department, n= 317
The top priority	10	15	7	16	4
Among top 3 priorities	48	55	48	33	44
Among top 10 priorities	29	21	35	33	39
Not a priority	10	7	9	15	10

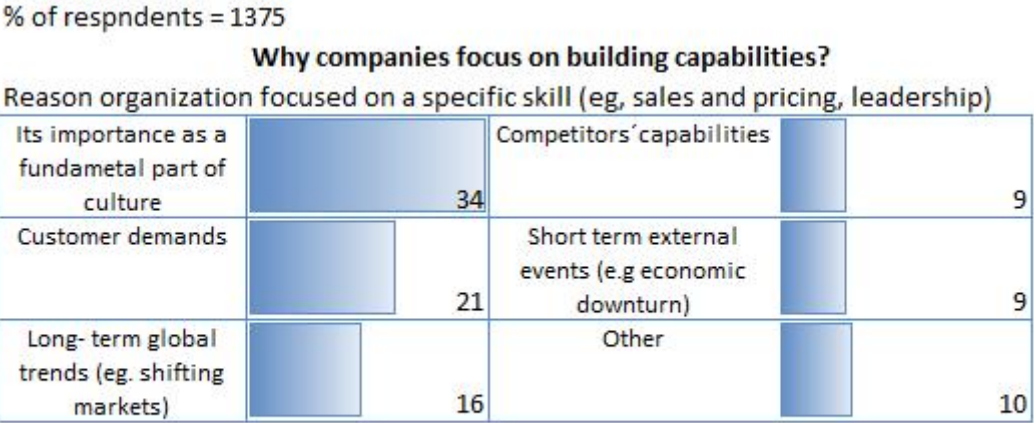
* Respondents who answered "don't know" are not shown

Source: Composed by Author based on McKinsey Global Survey, 2010

Companies can gain a competitive advantage by building foundational capabilities such as lean operations and project management or industry-specific capabilities such as merchandising or underwriting. Indeed, executives say building capabilities is a top priority for their companies: 58 percent of respondents say it is among their companies' top three priorities, and 90 percent place it among the top ten (McKinsey, 2010). See Table 4.

Table 4

Why Companies focus on building capabilities



* Respondents who answered "don't know are not shown

Source: Composed by Author based on McKinsey Global Survey, 2010

In Estonia, training employees is continuously one priority in employees' development. Number of organizations where training need is systematically evaluated is relatively high. Training expenses have staid during last 10 years on 4% level in labor cost. Furthermore, managers and specialists in public sector participate the most on various trainings. The number of trainings has been raising for the last 5 years, but still the problematical part seems to be that trainings are not available for all employee groups. That creates a stratification where different target groups have hard time understanding each other, often discussions are limited on managerial levels and employees are not included (Estonian management area research, 2015).

2.4 Change champion

In today's world, businesses have grown to be international, consisting of hundreds of thousands of employees, often many brands in one company, matrix organizations with complex managing structures. In the process of emerging businesses or expanding to different geographical locations, joining different cultures and values into one, **HR plays substantial role in change process.** HR role as change agent has significant mediating effect between other HR competences effecting organizational performance. HR professionals should be positive and have strong desire to contribute to organizations performance (Longa, Ismailb, Amina, 2013).

HR professionals are expected to **help their companies face, accept, and be open to the pressure of change** rather than hide from them. They **conceptualize and design organizational agility, flexibility and responsiveness to external changes** (Ulrich, 2012). For the company success it matters how they are able to cope with change and are they innovative enough. Leaders and organizations who manage to change tend to reach their goals. Innovation in management principles and processes can create long-lasting advantage and produce dramatic shifts in competitive position. Over the past 100 years, management innovation, more than any other kind of innovation, has allowed companies to cross new performance thresholds (Hamel, 2006). It is HR professionals who can take the role to be coaches to leaders for individual improvement, agents for initiative changes, HR can initiate and create an accepted, shared, and wisely used process for implementing initiatives throughout the organization. HR professionals often demonstrate facilitating change by encouraging others to make change happen fast, helping people understand why change is important, encourage people who make change happen (M. Srimannarayana, 2013). In Estonian companies in internal communication the biggest role is on line managers who give info to and receive from employees, this is mostly used channel. Info from employees to top management most often also goes through first line and middle managers. HR role here is to train middle level and first line managers and develop this competence (Estonian management area research, 2015).

2.5 HR innovator and integrator

The **focus is** that the organization has the **right talent and leadership for** current and future **business success**. Talented employees need to be attracted, recruited, on-boarded and developed. The factors of this competence according to Dave Ulrich (2012) are optimizing human capital through workforce planning and analytics, developing talent; shaping organization and communication practices, driving performance, building leadership brand.

HR professionals demonstrate this competency by implementing talent management processes to attract and engage talents. Often HR develops talent through learning and leadership development programs and feedback processes (M. Srimannarayana, 2013). This competence may be the **largest and most time-consuming work of HR** professionals. First is to identify what are the strategic and business critical roles in organization, this differentiates according to organization field of activity. Focus on developing the talent and key competences in organization. Access individuals and organizations to see how well the standards are met.

2015, CEB Corporate Leadership Council global research “Global Talent Monitor” with over 11000 respondents, shows that globally, employees crave better internal job prospects. This is a result of good talent management and it is showing in employees’ engagement. **Talent management** is ongoing process and needs consistent HR function involvement, furthermore consistent work from leaders because each part of talent management is also part of leaders work. Talent management lifecycle described by Dr. David DeLong (2014) consist of finding candidates, recruiting, hiring, onboarding, employee development, and performance management, retention of high potentials, leadership development and knowledge retention. Talent management in organization works through leaders. Leader roles are strategist, executor, talent manager, human capital developer, personal proficiency (Hamel, 2015).

HR professionals are expected to **innovate in implementing HR practices**, particularly in talent space, that align with capability, have efficiency, and integrate to create capability and shared culture (Ulrich et al. 2012).

2.6 Technology proponent

For years, **technology** has been part of HR work to **enhance the efficiency of HR processes**, including payroll, record keeping and other administrative services. Looking back 30 years; first came the automation of HR transactions such as payroll, employee records, performance systems that now exists in almost every company. After that HR integration with other functions. Now most large organization have encompassed HR data in to one HR module or ERP system. Technology is used as learning and knowledge platform to connect with internal talent and collaborate with external stakeholders. CedarCrestone, global HR IT solutions provider discovered in their research in 2005 that adopting more HR technologies increased companies operating income growth, e.g. profit after taking out operating expenses (Martin, 2014). See Figure 7.

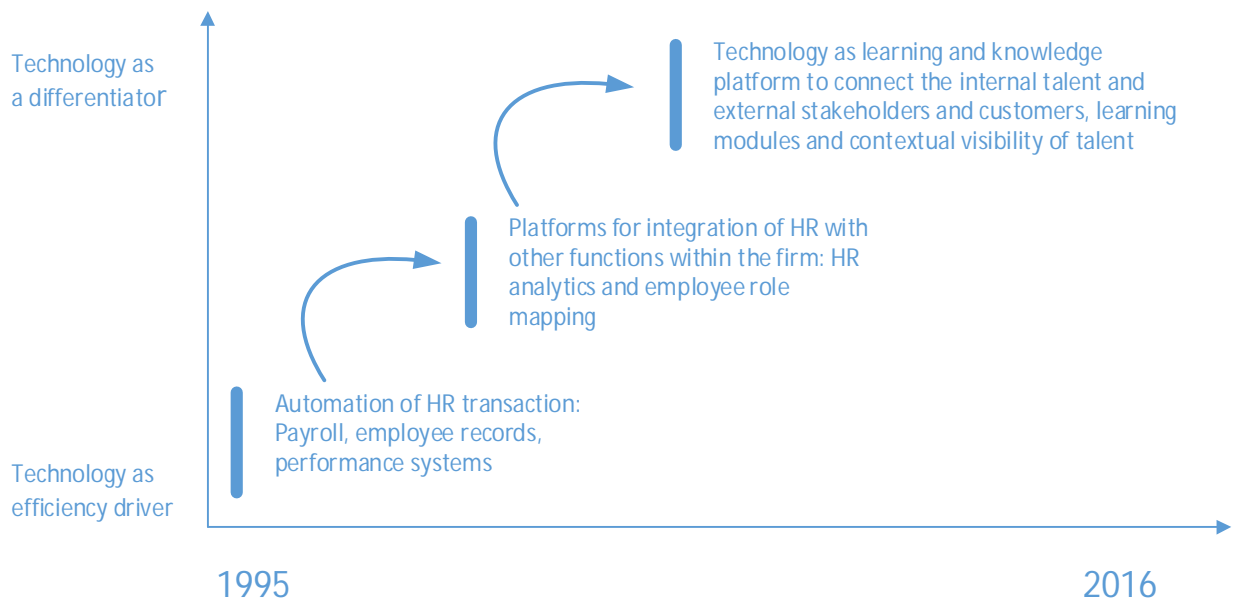


Figure 7

Evolution of technology in HR

Source: Composed by Author based Ulrich et al model

The world is rapidly moving to a future in which machines and humans would be co-workers, and possibly even co-dependents. There is increase in use of autonomous and smart machines who depend on human partners. Forty-seven percent of devices will soon have the necessary intelligence to request support from human. (Gartner, 2015). This is a challenge HR people have to be prepared for.

The factors of **Technology proponent** competence by Dave Ulrich (2012) are improving the utility of HR operations through technology; leveraging social media tools; connecting people through technology. Digitalization employee information, organizational roles, and workflow across functions opens up enormous opportunities for HR to improve its management of employee information and experience. Social media and supportive technologies such as wikis and blogs have in the recent years emerged as platform for organizations to engage with internal employees, customers, and partners. Almost every company has Facebook and LinkedIn. HR uses twitter to message to attract prospective talent. Social media is also used to connect employees to customers. **Many global organizations have created their internal social media platform for employees to stay connected.** In Estonia in the last decade the usage of web based recruitment channels is significantly increased, companies have own web-pages, special work-adds web pages, social media channels (Estonian management area research, 2015).

IT systems and technology is most certainly inevitable part of HR work but so is personal relationships and trust between HR and managers. We cannot forget that self-services, IT solutions and e-communication is psychologically distancing of employees services from what is considered as high value adding HR activities. There is a threat of e - HR systems to damage the relationships between line managers and HR as the face-to-face HR support services are transferring more too technology-mediated self-service relationship (Francisa, Parkesb, Reddingtona, 2014).

3. HR COMPETENCY MODEL IN 2015

According to The RBL Group worldwide latest research in 2015, HR Competency Study, HR professionals Competency model consists of nine competencies. See Figure 8. The research has over 30 000 respondents rating 4000+ HR professionals from more than 1500 organizations around the globe in different geographical locations: 2258 respondents from Europe; 9900 from North America; 2001 from Latin America; 7961 from Asia; rest Africa and Middle-East.

Three are core competencies. Strategic Positioner means HR professionals help the organization effectively to translate strategy into action, create agenda for actions by helping to take the people point in the right direction. Credible Activist means HR professionals have relationship of trust and influence with the key people in organization. They are actually able to get people moving in the direction set in strategy. This competence is most important for internal stakeholders, managers and employees. Both of these competences are critical for driving performance. Paradox navigator means the ability to navigate many embedded transitions or tensions in business operations that must be resolved in some circumstances and cultivated in other situations to help the business move forward. These can be for example long term focus and short-term focus or internal focus versus external focus. HR has to smartly navigate between those.

Six are enablers, competences that enable the translation of business strategy into everyday individual action. Three of these focus on building the strategic organization. Culture and change champion – ability to make change happen and tie change into cultural change. Human capital curator – ability to manage the flow of talent by driving individual performance, developing employees and managers, identifying talents and building technical talent. Total reward steward – ability to keep employees well-being in good level by managing the financial and non-financial rewards. Other three enablers focus on tactical delivery. Technology and media integrator – ability to use technology and social media to build organizations and drive

employee performance to higher level. Analytics designer and interpreter – ability to use analytics to improve decision-making. Compliance manager – able to manage the processes related to compliance in a successful way following regulatory guidelines (The RTL Group, 2015).

Estonian management area research in 2015 showed that mostly managers are recruited inside the company, 63% of answers out of 83 big size (250+ employees) companies (Estonian management area research, 2015). That emphasizes how in Estonia internal talent management is important. In Finland, this number is even 85%.

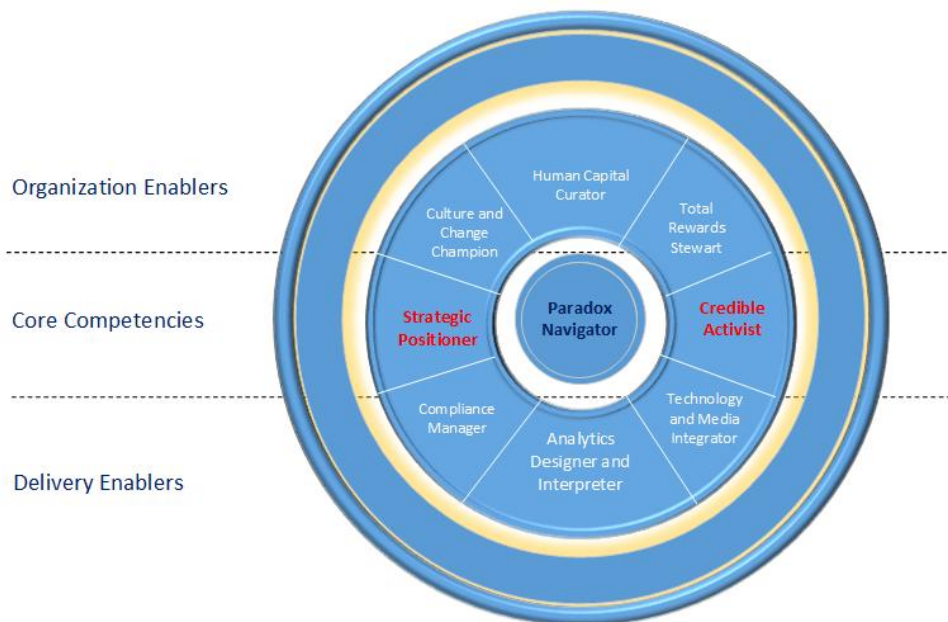


Figure 8

HR Competency model, 2015

Source: Composed by Author based on The RBL Group model, 2015

4. SUMMARY OF HR COMPETENCES DEVELOPMENT OVER YEARS

Change management was required from HR already in the 1980-s and still is one key competence, mixed with **Culture**. Culture means setting the company values, living it through each employee and branding this outside to attract future employees with similar values. **HR Delivery** has staid as part of competences but transformed to more complex role, consisting innovation, understanding of complex business situations and changing business environment and navigation in such, helping managers to make the right HR decisions and supporting them with analytics. HR delivery is not anymore only simple documentation and record keeping, as business has become international, it is ensuring company that it is acting according to law, providing compensation and benefit systems that ensure competitiveness in market. In 1990-s **Personal credibility** became one key competence and has staid since. This means that HR Manger, Specialist or any other person in HR role, has to deliver what is promised to customers: managers, employees, stakeholders. In 2007 credibility became even more important key role, meaning having trustful relationship with key managers and being able to influence business decisions. **Business knowledge** was required from HR already in 1980-s. In 2002, **Strategy** was added as part of HR competences and during next year's business knowledge was integrated to Strategy, market knowledge and other competences as it is the base of developing any area of HR. **Technology** became part of HR competences in 2002. Technology helps HR to take the deliveries to a next level. In 2015, technology is already tightly integrated with media. In 2007 **Talent management** became part of HR key role as the global market competition became harder and HR had to start to think how to engage and attract talented employees. 2015 this role is even more about how to develop and retain different talents on strategically key roles or functions for the organization. See figure 9 in Appendix 5.

5. FUTURE TRENDS IN HR MANAGEMENT

Future trends in HR Management indicate **high focus on leadership development**; companies try to find new ways of learning and development (Taylor, 2015). Conceivably the key success in an organization lies in creating a sustainable talent pipeline, therefore it is sensible to carry out detailed review of the Talent Management arena. To achieve better engagement transparency will start to come in Talent Management (Kumar, 2016). HR is going through a transformation delivering greater business impact and driving innovation (Taylor, 2015).

In Estonia trend shows that HR Managers are more involved in organizations management in top-management level, participation in working out companies strategies. CEO's attention to organization strategies has increased and in line with this also focus on designing HR strategies (Estonian management area research, 2015).

The new generations are not as dedicated as the ones before, that brings a need for corporate culture, and engagement as the retention might turn into a huge challenge for organizations. As part of engagement, **agile performance management** is in focus (Taylor, 2015). A positive corporate brand is one of key features organization has to attract new talent and retain its best employees, further emphasizing that workforce and talent management is increasingly handled by HR (Moschetto, 2013). Millennials are in certain organizations already the dominant workforce and will account for nearly half of the world's workforce by year 2020. That requires the entire process from sourcing through onboarding be managed through social media (Kumar, 2016).

People analytics has been evolving over the last few years and has the potential to change the way HR works (Taylor, 2015). There is a need for analytics tools to have the ability to collect, process and analyze large amounts of data. This is becoming a critical factor in the process of identification and response to business challenge. Companies want to have insights

to workforce trends and take appropriate actions in areas like recruitment, compensation and performance management. Data will continue to give greater input to Talent Management and Acquisition (Kumar, 2016).

As workforce management **technology becomes more advance**, it enables companies to automate larger portion of critical labor activities freeing up time for other HR strategical activities (Moschetto, 2013). With the development of technology where we are facing the situation where computers are as partners to people, machines read, analyze, speak and make decisions. HR is facing challenges of redesigning jobs as employees in almost every job have to work with computers (Taylor, 2015).

In recruitment, social networks are the preferred channels for promoting talent brand. Staffing agencies and internal employee recommendations for recruitment have decreased, trend to use job boards, social professional networks are raising. Companies are investing more to **employer branding** and it stays as a **top priority**. HR and marketing partnership is crucial. Internal hiring is not as efficient as it could be and HR would win in organizing this to take long-time advantage of it (LinkedIn Talent Solutions, 2015).

6. CONCLUSIONS OF THEORETICAL BACKGROUND AND LINK TO RESEARCH

HR function role in organizations in the last three decades has changed from purely administrative support to a **partnering role to business**, also having a **strategical approach**. Nowadays HR professionals' competences are wide and vary from business knowledge and financial understanding, to a high-level communication and even psychological knowledge. In HR function in large organizations depending on how the HR work is organized, the responsibilities inside HR are divided and roles agreed. HR Centers work is usually administrative, there is important to have legislation knowledge, IT systems usage skills and standard communication knowledge. In a HR Business Partner role, the area of knowledge needs to be wide and interpersonal skills on high level. Over the last 30 years basics of the HR competences have stayed the same but expectations have grown a lot and are still changing with the world and business environments.

The theoretical background in previous chapters gives an overview of HR main competences and information what has been expected of HR teams around the globe for the last three decades. It is important to know what are the expectations to HR for any HR professional to have high competence level and good results and feedback about own work. **Personal credibility** is the foundation for HR professional to become involved at the strategic level in an organization (Choy, Ismail, Amin, 2010). The theoretical background information is used in the research in ABB Baltics to analyze the satisfaction with HR function work, linking the satisfaction with competences, collecting info and analyzing it to understand what are the expectations from managers to HR function. Furthermore, in their opinion how they see the current competence level of the HR function. The further research will give better understanding of the expectations to the function and input to Baltic HR function for improvement.

7. RESEARCH ON HR COMPETENCES IN ABB BALTICS

7.1 The purpose of the research and assignments

This research is concluded with purpose to analyze the ABB Baltic HR function competences and find ways to improve Baltic managers' satisfaction with HR function work. Company annual internal satisfaction research has indicated that customers e.g. managers in Baltics are not satisfied with HR function in Baltics and the research purpose is to make more comprehensive analyses to find root causes of dissatisfaction and improvement areas.

The assignment is to:

- 1) Find out how ABB Baltic HR function work is aligned with the latest global HR competence models.
- 2) Find out what are ABB managers expectations to HR function in Baltics.
- 3) Make conclusions and proposals how HR function work could be better organized, which HR competences need more focus and development and what should be kept as is with purpose to gain better satisfaction level with HR function in ABB Baltics from managers.

7.2 Method and sample description

In this thesis, both quantitative and qualitative study is used and research consists of two parts. Firstly, **quantitative study** is conducted in ABB group annually and in this thesis, the data is **further analyzed**. The annual survey in ABB group level is using **Net Promoter Score (NPS)** method and evaluates the satisfaction with HR function work by their customers who are

managers in ABB organization. At the time of the 2015, survey there was 117 managers in ABB Baltic countries. This includes managers in all levels starting from first line managers for example Foreman's in production, then next level managers who are Team Leaders or Local Business Unit Management Teams members and ending up with Local Unit Managers and General Managers who are part of Baltic Management Team. The survey is annually sent via e-mail to all of the managers and is conducted during 4 weeks period in June, July. The respondents are sent two notifications by e-mail asking their input and feedback to survey. In addition, the survey launch and results are communicated in units through unit HR Business Partners. The NPS survey results are analyzed globally, regionally and locally on Baltic level annually in August until end of September. After analyses, local action plans are agreed and implemented during 1-year period. **The Author of this thesis is responsible in ABB Baltics for conducting annual local level analyses** with holding the local NPS Account Manager role. Author sees that there is dissatisfaction in the company with HR function work and it starts on the higher level of local management. **In these thesis Author has done additional analyze to the latest 2015 NPS survey Baltic local results.** The annual standard analyze includes: looking the overall result point; change in number of respondents, red and green card; review of the comments. **During the additional analyze the comments given by managers are linked to HR Competences that enables to evaluate the HR function competence level.** This gives overview and links comments to most important HR function competences and is deeper analyze then comparing the number of green or red cards in given areas. For example if manager has given a green card to Ease of doing business with the comment: *“HR team members are real professionals. I get feeling that I can trust their competence on area which is really important.”* it is revealing the actual trust on HR people's professionalism. When on the other hand red card to adequate quality of work comment: *“I have written e-mails to salary department and no answers, workers don't get the vacation money, because the HR have lost the vacation statements.,”* reveals that there is lack in communication, professionalism and in support. By conducting this additional, analyze to existing NPS survey results Author is **building the base** for good and systemized questionnaire **for the interviews.** The additional analyze result is given in this thesis chapter 7.1. HR NPS Baltic annual survey analyzes conclusions.

Secondly, were conducted **half-structured interviews** to find out how ABB Baltic higher-level managers **evaluate** the level of **HR function competences** and what their

expectations for HR function are? Half-structured interview method was chosen because interview enables to collect material more deeply than the other methods. In case of specifications needed, these can be asked immediately during the interviews. To open questions, persons responding can answer spontaneously and person is not framed with answer options. In addition, open questions do not set possible answers that could influence the respondent (Cohen, 1986). **The interviews** conducted consists of **5 blocks of questions**: 1) overall evaluation of HR function; 2) evaluation of different roles in HR function; 3) communication with HR; 4) technology in HR; 5) concluding questions of all HR competences. The expectation is with overall questions open-mindedly get managers to talk about strong and weak sides of HR function work and to reveal their actual expectations to HR, as this is not asked in NPS survey. Asking the managers most important tasks of HR should give overview of the primary expectations. The second block of questions focuses more specifically to satisfaction with different teams in HR in Baltics. This part will give detailed information what managers expect HR to deliver versus what is in practice delivered so far. In this block, managers are asked to evaluate the different roles in HR function, which will give very specific feedback and development ideas to HR department employees personally or by groups. In addition, trust level in HR Business Partners in units is evaluated using Dave Ulrich questionnaire and formula (Ulrich, HR from Outside In, page 95). Thirdly, as the NPS survey comments analyses show that HR communication is weak, this is more in detail asked from managers to find out the possible root causes of low satisfaction and make proposals for development. The second weak part from NPS is technology. As there are many systems used for HR work this part of questions reveals what are the best and worst systems and managers expectations for systems improvement. The fifth part of questions focuses on getting local Baltic managers opinions of the level of HR function competences according to the latest HR competence model from Dave Ulrich and his research team. **Managers' answers will give evaluation to HR function and improvement proposals what can be used as input for improve HR function work.**

The interviewed persons are taken as **cluster sample** and the Author interviewed high-level managers in all three Baltic countries. This sample was chosen because the high-level managers' opinion should be the most important input for HR for choosing development directions. **Interviewed managers were selected from all three counties to get the reflection of local issues in different locations.** The interviews were conducted with high-level managers

in ABB Baltic countries, 7 of them are Baltic Management Team members, which is the highest management level in Baltic, and others interviewed are Management Team members in bigger local business units. To get the input also from the managers who deal with factory workers or service workers on site, three production/ service managers were interviewed. Production/ service managers are also members of Management Teams. For Latvian and Lithuanian input, from both countries total four managers were included. In total interviews are conducted with 14 managers. Initially 15 managers were asked to be interviewed. One manager did not give answers to questions because he did not agree with recording the conversation. The number of persons interviewed was chosen based on Guest, Bunce and Johnson research (2006, Laherand quot., 2008) according to what data saturation is gained after conduction 12 interviews.

7.3 Company introduction

ABB Baltic belongs to ABB Group - the global leader in power and automation technologies. ABB group has more than 135 000 employees globally and operates in approximately 100 countries across the globe. The clients of ABB are infrastructure and industry companies. ABB headquarter is based in Zürich. **ABB business operations have customer-focused approach; ABB follows the customers' expectations, offers product, and services with the highest possible quality.** ABB follows the impact to environment and refrains environmental pollution. Having several world-class engineering research and development centers in the world, ABB is innovative and has created many technologies used in world.

ABB strategy streamlines are profitable growth, relentless execution and business-led collaboration. ABB uses product and service based management. Globally there is four divisions, countries are divided to three areas: 1) Asia, Middle-East and Africa; 2) America; 3) Europe. **HR function is globally managed through four functions: 1) Talent and Learning; 2) Compensations and benefits; 3) Labor Relations; 4) Global HR Services.** In addition, HR Business Partners are physically located in businesses; their focus is on business priorities and related HR priorities and they ensure the consistency between business and HR organization. HR Business Partners direct reporting line is to Business Managers.

7.4 Net Promotor Score (NPS) method

NPS method is a customer loyalty metric developed by Fred Reichheld, Bain & Company, and Satmetrix. It is alternative to traditional customer satisfaction survey as the customers are asked only one simple question that can be rated on scale 0-10. Ideally, the scale would be so easy to understand that even outsiders, such as investors, regulators, and journalists, would grasp the basic messages without needing a handbook and a statistical abstract (Reichheld, 2013). The respondents are grouped as promoters (score 9-10) who are loyal and enthusiastic customers; passives (score 7-8) are satisfied but unenthusiastic customers and detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth. NPS can be as low as -100 (everybody is a detractor) or as high as $+100$ (everybody is a promoter). An NPS that is positive (i.e., higher than zero) is felt to be good, and an NPS of $+50$ is excellent.

8. RESULTS OF THE RESEARCH IN ABB BALTICS

8.1 HR NPS Baltic annual survey analyzes conclusions

The HR NPS survey is conducted **annually** in all ABB countries **globally**. The provider is HR function in ABB and the respondents are managers in all levels of management. The question asked is “**How likely would you recommend our HR function to an ABB colleague?**” Managers need to give rating on scale 0-10 (extremely unlikely-extremely likely). See the survey formulation and visual in Appendix 1.

The managers can give three red cards for areas that they think HR needs improvement and three green cards for areas HR in their opinion is doing well. Cards and comments will help HR eventually to allocate results to action. The cards can be given in 15+1 categories: Adequate quality work; Competitive Compensation & Benefits; Ease of doing business with; Effective Communication; Effective Talent Management; Efficient systems & tools; Enabling management decisions; Facilitating change; Good cost/benefit balance; Productive Recruitment; Qualitative Leadership Development; Reliable Payroll service; Resolution ability; Response & delivery time; Support in leading people; Other - please explain. The survey is held in June and July. Result analyses are done on country, regional and global level. **The author of this paper has done the Baltic country level analyses of the survey in 2014 and 2015.** After results analyzes, improvement actions are agreed in country level and communicated to the headquarters.

The result of NPS survey in 2015 in Baltics was not good. The **NPS score had dropped** from -2% in 2014 **to -38%**. Before this drop HR function in Baltics had seen improvement every year. See figure 10, Baltic NPS results 2012-2015. On the same time, global result in 2015 improved by 10 percentage points up to -2%.

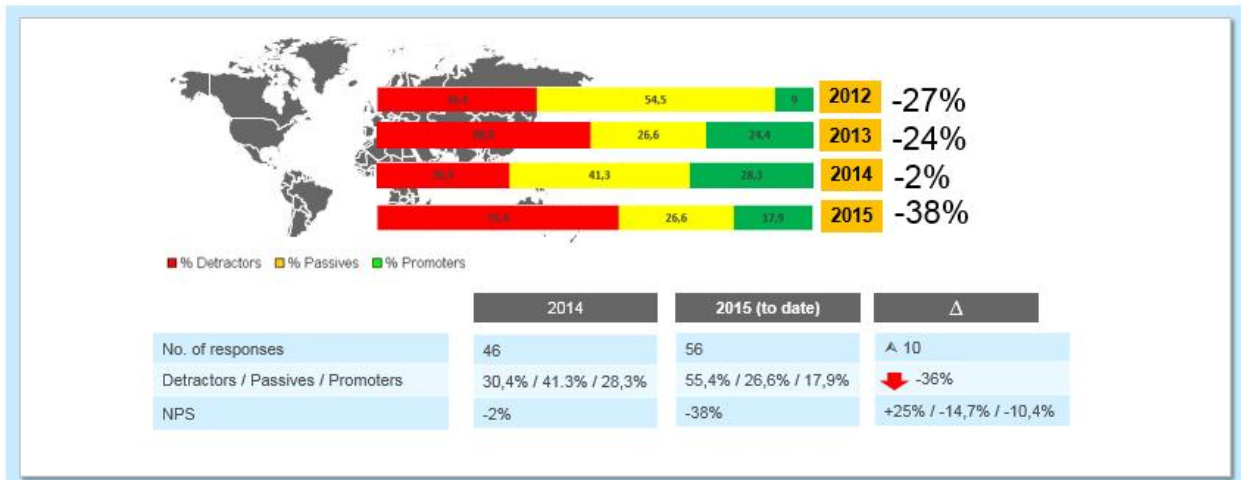


Figure 10

Baltic NPS results 2012-2015

Source: Composed by Author

In Baltics the number of Red cards given increased rapidly in 2015 while the number of green cards staid on the same level. See figure 7.1.2 Baltic NPS red and green cards overview 2015, Cards overview 2011-2015.

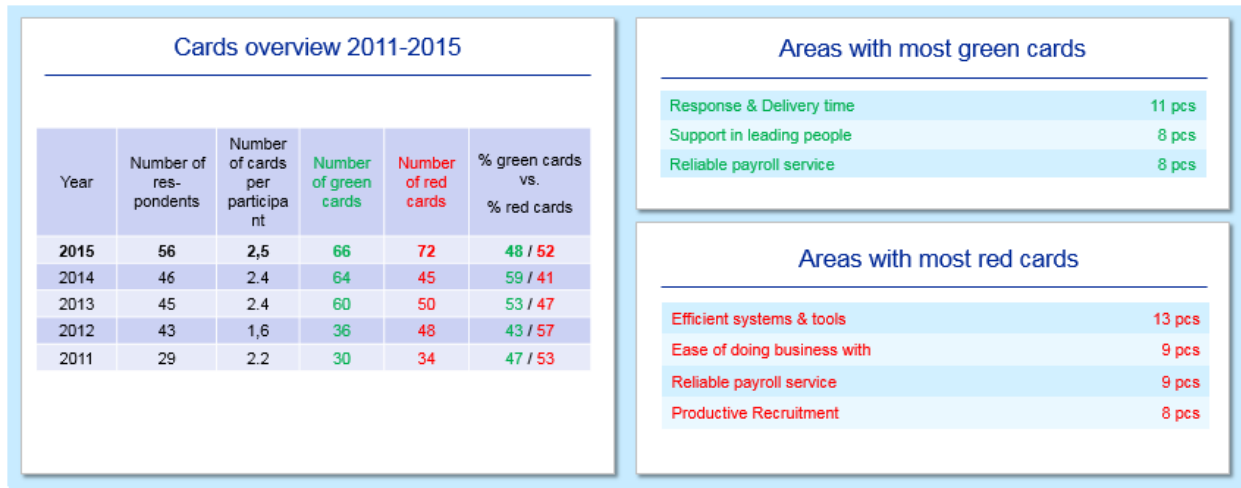


Figure 11

Baltic NPS red and green cards overview 2015

Source: Composed by Author

Red card analyses refer that the most dissatisfaction is in the areas: Efficient systems & tools; Ease of doing business with; Reliable Payroll service; Productive Recruitment.

Comparing red card with 2014 results the highest drop was in area of Effective systems and tools – from 9% to 18% of the reds cards given. In 2014 the most green cards, 20% of all green cards was given to Ease of doing business with; 2015 this dropped to only 11%. Productive recruitment received in 2015 11% of green cards instead of 19% in 2014. Response and delivery time received 4% of the red cards in 2015 when on previous year there was no red cards given to this area. **The analyze shows that managers have difficulties with cooperation with HR function, they are not satisfied with IT tools HR function provides for HR are activities managers need to perform.** Payroll and recruitment teams are still receiving both positive and negative feedback. From green cards, we can see that managers are happy with response and delivery time (with some exceptions), they are receiving more support in leading people and they are more satisfied with talent management activities.

8.2 HR NPS Baltic annual survey additional analyzes conclusions by Author

The Author analyzed comprehensively the comments given during NPS survey in 2015 by managers. Author conducted analyzes linking the comments answers to HR competences. The result of the analyze shows that the **biggest dissatisfaction** is with HR core competence **Credible activist** (The RBL Group, 2015) which means that the managers **lack reliability in HR** function. In comments, it shows as lack of reliability in HR people, lack of HR people professionalism in various situations and topics, lack of support from HR function and often, low speed in actions or responses. There has been many changes in dedicated staff in HR, this may bring uncertainty. Managers do not see the recruitment working well; as it is partially outsourced, some managers have had issues with this. Talent Management has received red cards and is seen not to be working at all to couple of managers. In addition, from comments we can see that not all managers get support in leading people from their HR Business Partner. In everyday actions, managers have faced mistakes from HR Center and payroll. Expectation from managers is to listen more business needs and work more with people.

Secondly, dissatisfaction comes from IT systems and tools that are in use for HR activities. Systems are often not flexible enough or the rules how to use the systems are made non-flexible and time consuming. That creates extra work and may even lead to shadow

processes creation. Furthermore, some HR systems managers use are not as user friendly as expected and not reliable enough. Older systems and tools create dissatisfaction with results delivered by HR function. The main systems used are HR SAP portal which is new application developed during 2014-2015 and yet does not meet the requirements of nowadays IT systems. During the implementation, problems came and at the time of the survey, still they were not solved. In addition, from comments shows that managers were not satisfied with the training provided before the new system rollout or the training was even missed.

Thirdly, the area of dissatisfaction was change and communication, by this feedback, HR professionals have not done this part well enough and this competence needs improvement. From comments comes out the information that not all changes in recruitment process were communicated to all managers. Managers do not have overview of HR activities during the year. The e-mail addresses HR is using are not personal and managers have received answers from different persons on different times, also several requests have staid unanswered. During the interviews, Author is planning to ask separate questions about the blocks of competences that received the worst feedback in NPS. See comments analyzes in Appendix 3 and summary in Table 5 below.

Table 5

Red card comments analyzes summary

	Similarities in comments																			
	Technology and Media Integrator		Credible activist				Culture and change champion			Paradox navigator	Total rewards steward									
	Constrain to business	Lack in usability friendliness in systems	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competences	Lack of support from HR function	Low speed in action	Lackings in communication	Enabling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager				
Comment description																				
No of times mentioned in comments	7	13	4	12	15	9	10	16			2	6	0	0	0	0	0	0	0	0
Total per competence			24				46	16			2	6	0	0	0	0	0	0	0	0

Source: Composed by Author

Green cards analyzes summary shows that **credibility of HR is on high level**, but as this gained also most negative comments in red cards the Author is making an assumption that this variates between managers. Positive comments show credibility in Talent Management,

positive experience with recruitment, managers are satisfied with the reliable payroll, and HR Business Partners support in leading and developing people. Author is planning to ask specific feedback on all HR activities to find out core reasoning.

The biggest gap is in communication competence as there were only few positive comments on communication and many negative comments. Response time from HR has been good, this received green cards and positive comments about getting quick answers, and problems are solved fast. The satisfaction with HR IT systems and tools is existing but there are lot less positive comments than negative. This refers that there are satisfied and dissatisfied users. Annual appraisal system PDA has received positive comments as a good HR process when on the other hand the IT tool for the process has received both positive and negative comments. During the interviews, Author will ask managers expectations to systems.

Level of professionalism has gained same amount of positive comments than negative and this **includes satisfaction** with different HR function roles like payroll, recruitment, business partner work. **This implicates that HR team in Baltics has strong and low performers.** During the interviews author asking questions to evaluate the level of trust in HR Business Partners and the expectation to different roles in HR which will be the input given by Author to HR function development plan. Positive comments were given also to good development programs, which is part of talent management work. See comments analyzes in Appendix 3.

Table 6

Green card comments analyzes summary

	Similarities in comments																				
	Technology and Media Integrator	Systems support business	Usability friendliness in systems	Reliability in systems	Credible activist	High level of reliability in HR people	Good level in professionalism/competences	Good support from HR function	Good speed in action	Good communication with HR	Culture and change champion	Enabling management decisions	Good development programs	Paradox navigator	HR is well coping in complex environment and situations	Total rewards steward	Compensation systems	Strategic Postioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Comment description																					
No of times mentioned in comments	1		8	4	6		18		9	12	5	2	4	0	0	0	0	0	0	0	0
Total per competence				13					45				11	0	0	0	0	0	0	0	0

Source: Composed by Author

8.3 Interview results analyzes

In the beginning of the interview, Author explained to interviewed persons, the purpose and scope of the interview. Author explained the structure of the interview and the targeted group HR function, about whom the interview questions were about - HR function consists of different roles in HR Baltic, such as HR Business Partner, payroll, recruitment, Country HR, talent management and HR Center work. The **interview blocks** absorb parts of HR Competence model by Dave Ulrich and his research team. **In the first block**, Author asked the managers to define the **most important task or role of HR function** and give their opinion of the **key competences** HR should have to be able to be successful carrying out the role/ tasks. More in detail Author asked **expectations to different HR roles**. For high-level business managers who were the target group of the survey, HR main contact point and partner in ABB is HR Business Partner, therefore Author asked managers' **satisfaction** with their own **HR Business Partner** in unit. The questions used was taken from book HR from Outside In, 2012, Dave Ulrich, Jon Younger, Wayne Brockbanck, Mike Ulrich, page 95. In the **second interview block**, Author **opened up** two most dissatisfied areas of HR function work from NPS survey: **communication and IT systems and tools**. Author asked managers separate evaluations, reasoning and comments in these areas. In the **third interview block**, Author took base for questions the latest HR Competency model by RTL Group from year 2015 and Author asked managers to **comment** in their opinion **the competency level of HR function work** in different competences.

8.3.1 Managers expectations to HR function, their evaluation to HR work

Most of the managers see **HR function biggest role** to be **support to business and managers**, 8 managers gave this as main expectation. Second biggest expectation is to **support in recruitment, finding the right people and supporting in employee engagement**, both together were expectations by 5 managers and mentioned separately one or other. 2 managers expected the HR Business Partner to be support person to both managers and employees, but this was characteristic in small units where managers saw that there should be time and dedication also directly to employees. 3 managers stated that they are expecting personal

leadership in actions, which confirms the latest theories that HR has to be more active and innovative and really speak up.

BM11: Most important task is HRBP to speaking partner and trust person to the employees and me. One manager stated that in his opinion the HR is not even support function but is as equally important as business manager as the business is done through people.

BM8: Overall HR is very important part of the business and too often, we are talking about that HR is support function. HR has to wake up the managers to see that is he/she really developing the people. HR and business manager should work together as a pair to drive business forward.

Managers expect that HR has various competences, basics in must work always flawlessly, like salaries paid out, contracts made, etc., some expect positive attitude, others labor law knowledge. **The most important competences for HR** in managers' view are **communication skills**, mentioned by 6 managers and more deeply **psychological knowledge**, mentioned by 6 managers. Same level important is **business knowledge**, mentioned by 5 managers.

BM7: Experience, getting along with people, emotional intelligence. Mindset that is directed to business and our clients.

BM5: This person has to have a good understanding of the business, what we do and what kind of people we need to have to make it. Second is communication skills.

BM10: HRBP must understand the nature of the business, not the details but the general goals and the processes within the business. .../.

Managers evaluate HR function to be working on acceptable level based on their answers as most of the managers referred to one or two positive aspects in HR. 3 managers did not give any positive comments. The managers in Latvia and Lithuania expressed positive feedback to HR IT systems while none of Estonian, managers did so.

BM1: New tools implementation and usage is well. Reporting and business portal.

BM2: HR SAP system.

Improvement proposals from managers to HR function are mostly linked to **speed**, **agility** and **being closer to business** and **asking business input** when developing HR processes.

The expectation is that HR actions would not be ruling business but would be supporting business.

BM7: Think more what is needed for business. Recruitment takes too long time. It can take 5-6 months that person is replaced and business suffers from that especially when we have only one or two persons doing similar work.

BM10: Sometimes speed is lacking. Not very good examples. Feeling is that HR is a bit lacking behind. Business HR is working nicely and Support going in own tempo.

Latvia and Lithuania would benefit of having local person as contact point and most managers prefer to have one contact point in HR and not to memorize different functions responsibilities and contact information.

BM1: Latvian and Lithuanians are sometimes a bit left over and they really need like a mother who takes care of them. Several issues. .../

Some very concrete proposals were given for improvement. Author is proposing these to be implemented and presented regularly on Baltic management team meetings. More concretely, the turnover and voluntary rate should be followed in all units separately for factory workers and office employees to follow when there are issues with employee engagement. HR function should have annual action plan and that should be regularly followed up and reviewed in Baltic Management Team meetings as it was 2 years ago. Training and development update on Baltic level should be provided to managers monthly.

BM8: HR reporting and communication package has to be improved. Each unit has to have a plan for HR also where we can see where we are with the HR actions. Also regarding people skills and development to bring these topics on the table so managers should look at this. To see that the rotation is too high, there has not been any trainings for these people etc.

Based on the interviews, in general managers in Baltics are satisfied with HR function work but most of them have faced unsatisfactory situations or are expecting additional information or support and have suggestions for improvement.

8.3.2 Managers' expectations to different roles in HR function

Most managers, 8 persons, see HR business partner as the first and most important contact point and support person in all HR related things. In smaller units unit managers expect HRBP to be the HR contact point also for employees, not only managers. In larger units, managers see that HRBP has to have business knowledge and they see HRBP role as important for developing the business.

BM7: Understand what business needs and what our clients expect and what persons we need to have to deliver business and customer expectations.

BM8: HRBP is the most important role combined to business unit manager. They should work as a pair and how to develop the business. Cause unit has a business plan and HRBP should be very close of that. Also, try to develop the business via developing the people.

Managers in ABB are fond of HRBP system and see that this is working well.

BM10: HRBP system is working well. There is business knowledge there. very close to business and hands on type of HR work.

BM11: Most important task is HRBP to be speaking partner and trust person to the employees and me.

The managers were asked to rate their HRBP behavior in level 1 to 5 (1= low competence; 5= high competence) with 4 different questions, which in result show how high is the managers trust level in their HRBP-s. The questions used was taken from book HR from Outside In, 2012, Dave Ulrich, Jon Younger, Wayne Brockbanck, Mike Ulrich, page 95. These answers show that most business managers have high level of trust in their HRBP-s. 2 managers have low trust level in their HRBP. 10 the managers feel that HRBP-s have the needed expertise to contribute to business goals, 4 managers see that this could be higher. 9 managers who responded see that their HRBP-s have high reliability, they keep their promises and perform well on their accountabilities. 10 managers believe that HRBP has created effective interpersonal relationship with managers, 3 managers see that this is average or below. 11 managers see that HRBP is not self-serving or manipulative in their actions; only 2 managers rated this average. As the rating were given overall to 6 different persons who act or have acted

in HRBP role it shows mostly overall satisfaction with the role holders with couple of exceptions. See Table 7.

What is not well is the inflexibility in HR procedures that is constrain to business activities. Payroll is working well but is not even flexible enough to make vacation payments on time when the vacation is not planned 2 weeks ahead. For payroll, 7 managers stated they expect this to work without flaws and any mistakes.

For Country HR most managers do not have any specific expectations as they do not have much cooperation with this role in HR. Couple of managers see that this role should help them find good HRBP for their business, 4 managers stated that the role is to keep general HR functions working well.

BM4: ...There is no specific expectation as everything is done through HRBP. That the function is run well.

5 managers do not have any contact directly with HR Center. The ones who have had contact with them are looking for more agility so the processes would more support business needs not vice versa. To have better response time and to have personal contact assigned whom deals with the questions sent to anonyms e-mail address.

BM13: I would like to have a concrete person has to be assigned to a specific question and that is informed to the employees. So if e-mail first goes to anonyms e-mail person is appointed who will deal with the request and ensure the quality.

BM9: Faster reaction time to different cases. For example if there is a business need to have vacation for someone fast then this has to be done outside of the set 2 week notification rule. One case like this was not handled well. This need more agility and different attitude.

Table 7

Business managers' evaluations to HRBP behaviors

	Credibility	Reliability	Personal relationships	Perception of self-interest
BM1	4	cannot rate	5	3
BM2	4	5	3	5
BM3	3	5	4	5
BM4	2,5	4	4	5
BM5	4,5	5	5	4
BM6	4	4,5	4,5	5
BM7	4	4	4	5
BM8	cannot rate	cannot rate	cannot rate	cannot rate
BM9	2	2	2,5	4,5
BM10	5	5	5	5
BM11	5	cannot rate	5	5
BM12	4	2	3	3
BM13	3	5	5	5
BM14	5	5	5	5
Average	3,50	4,21	4,00	4,56

Source: Composed by Author

With recruitment, managers are either satisfied or not depending on their last experience.

5 managers had positive feedback and no specific expectations. Some managers' see that recruitment time is too long, the process is not agile enough. For the question: "Is HR using social media in employer branding?" most managers could not give answer, as they had not seen this personally. 8 managers had not seen this personally happening and Latvian and Lithuanian managers were under impression that this is working only in Estonia, same time Estonian managers did not see this working in Estonia.

BM5: Only is that business and its need is understood and to be fast and act fast and be agile.

BM9: Sometimes operative actions are taking a lot of time. For example, the replacements are taking a long time.

BM14: They are high quality expertize on getting the new people in especially how she/he will fit into team in future needs.

BM8: It has been working well. We have looked together the role, they have organized the interviews.

With payroll, 7 managers stated that there should not be any mistakes in salary calculations.

BM10: should be working perfectly and nobody in business should take any interest in that.

Most managers did not have information what is the role of Talent Management in HR. 2 managers confused Talent Management and recruitment and had expectations for recruitment function. 2 managers saw this as succession planning and were expecting support in getting the possibilities for international assignment for their employees.

Overall managers have the most expectations to HR Business partners, as this is the key contact point with HR for the managers. In addition, also, recruitment is very important and some managers have expectations for Talent Management function. HR Center and payroll are not a direct contact point for most managers and therefore mostly the expectation is that these functions are working smoothly and there should not be any contact with them for managers.

8.3.3 Communication with HR

Managers evaluated the communication with HR function to be working on normal level. However, most managers have things they are not happy with. This differs from anonymous communication with HR Center, expectations for cooperation with businesses from Country HR, to shorter answering times to questions and expectation to better attitude.

BM2: In tricky situations, there should be more feedback and actions should be taken more carefully. Personal attitudes could be better and the answering time should be shorter.

BM8: Sometimes people do not get the answers to answers from HR, which is not good. Overall is okay.

Business Managers get their HR related information mostly through HR Business Partners. 13 managers out of 14 interviewed pointed HR Business Partners as the main HR

related information source. 2 managers also said that they get some info directly from HR Center. One manager said to get info from monthly meetings and one manager through his manager. See Figure 7.3.3.2. Channels for receiving HR news. **8 managers are receiving information in 2 or 3 different ways** either it is e-mail, plus face to face communication or e-mails plus meetings. **Main channels for information are e-mail and face-to-face talking** with HR, mostly HR Business Partners. See Figure 14, Main information channels.

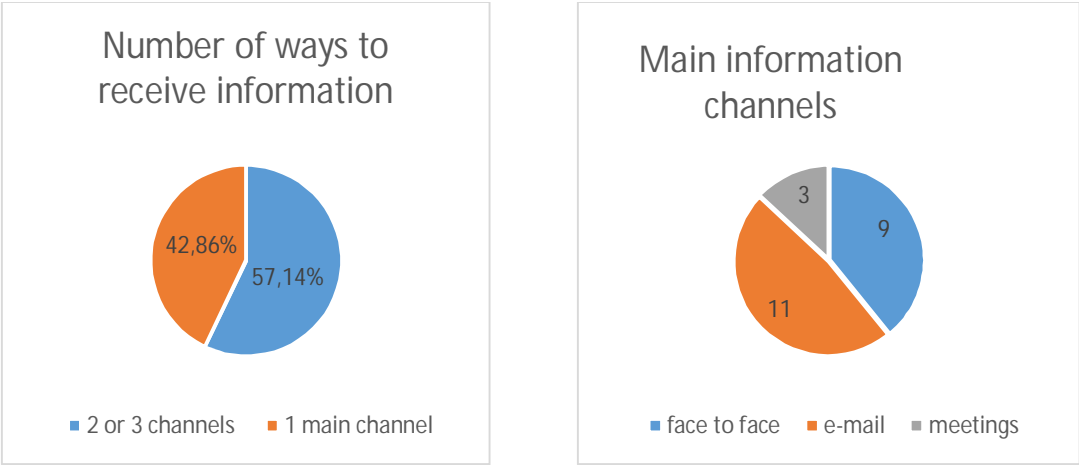


Figure 14
 Number of ways to receive information; Main information channels
 Source: Composed by Author

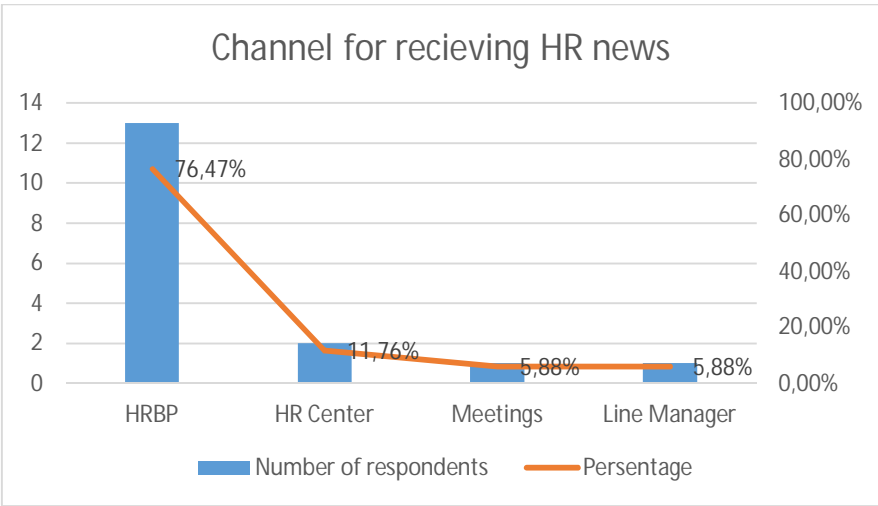


Figure 15
 Channels for receiving HR news
 Source: Composed by Author

5 of the managers **evaluated** the received **information quality to be good**, 4 of the managers' on normal level. 2 Managers said the information quality varieties depending on the topic. The managers who were not satisfied with the information quality expected the info to be pre-worked and then delivered with the most important points to them. The answers showed, that some HRBP-s do make the information first clear to themselves and then deliver to managers. **Expectation is HR to be more proactive in giving information.**

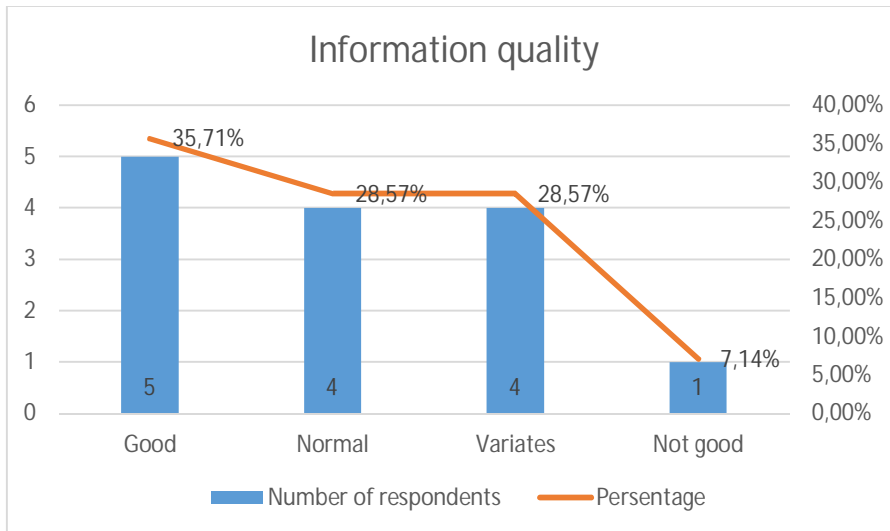


Figure 16

Information quality

Source: Composed by Author

BM12: I have to translate the info because they are not easy to understand and I have to make conclusion and then communicate to my employees. In case, there is info that is meant to all employees that should come directly from HR to all employees.

BM7: Very good. The info is pre worked and explained well.

BM8: Proactive information should be improved. For example, we do not have info of sick leaves percentage wise.

Managers are mostly satisfied with communication with HR Business Partners as this is tight every-day cooperation and often face to face talking. **Authors' conclusion is that when the communication is personal, then the satisfaction level is higher, when managers are asked to use general anonymous e-mail addresses for asking questions, the satisfaction level drops rapidly.** Communication with HR should be personal and no questions asked from

HR should be left without answers. **Authors' proposal is to have fixed maximum response time for all questions coming to different HR functions.** Proposal is to have maximum 2 working days response time. When request is sent to general HR email like HRC or travel or payroll the answers should be given by concrete person and signed by concrete person so it will be know who is the person handling this request. **All e-mails should get answers**, even if it is for travel expenses just the notification that the report has reached the e-mail box and it will be handled by process accordingly and you will be contacted only in case of additional questions. Information from HR should always be before forwarding to managers pre-worked and understood by HR and delivered with short conclusions.

8.3.4 Technology used for HR activities

Managers evaluated two main IT systems used for HR activities in Baltic Countries: HR Group Tools, HR SAP portal, and Baltic HR web page. For web page, managers did not have any specific comments or expectations, 8 managers had not used the page or did not give any comments. HR Group Tools is ABB group wide system, where managers keep employees Performance Development Appraisal documents. In same system is also recruitment approval process, competence assessments and Talent Profiles of employees. **7 of the managers' evaluated HR Group Tools okay to use, 7 of the managers not easy to use, 5 said that the system has technical issues.**

Managers who evaluated the system normal to use commented that system was developed 4 years ago and they have gotten used to the system. **However, managers are happy to have the performance appraisal process working well and all documentation about that kept in the same place, in that since the system serves its purpose.**

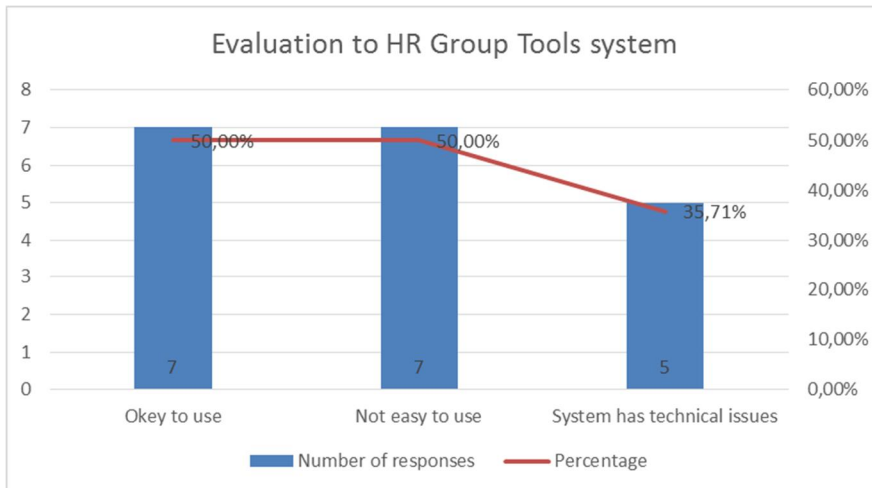


Figure 17

Evaluation to HR Group Tools system

Source: Composed by Author

Second system managers evaluated, was **office workers working time recording system** called HR SAP system and managers HR data portal. **Latvian and Lithuanian managers were happy to use the system** instead of using monthly time reporting on Excel sheets. Still they pointed out the system faults. **8 Estonian managers did not see the system to be user friendly** and value add to business, 2 managers evaluated the system to be normal. The system was developed and taken into use during 2014 the expectations for the user friendliness are relatively high, yet it needs to be doubled with Excel tables for vacation planning, does not allow seeing the whole department vacation view when there is more than 7 persons in the department etc. Main issue with the system is that it makes HR Center employees life easier but actually brings double work in case of vacation planning to businesses and is constrain to business, not supportive.

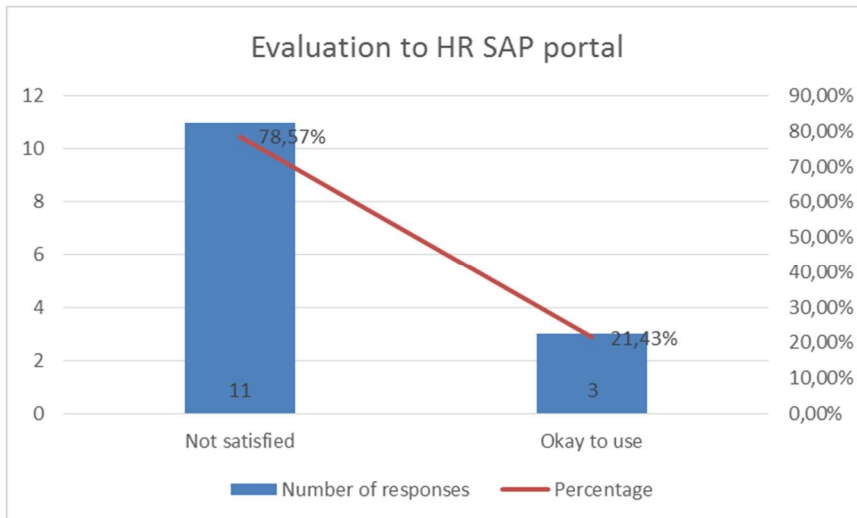


Figure 18

Evaluation to HR SAP portal

Source: Composed by Author

BM5: This system does not give any value add to me. When I want to see how employees have planned vacations I cannot see in one view.

BM4: The system needs to be doubled by Excel. I cannot see all the employees in the tool, bad visual.

BM9: Team wide this is usable and I okay. For vacations, we need additionally the Excel. The training info is not used from there.

Overall the IT systems used in HR are not the most recent and innovative solutions and not the most user friendly. They are support to some extent but can even be constrain to business. In future before developing and implementing new Baltic local HR IT solution better input from businesses should be collected and taken into account.

8.3.5 HR function competences evaluations

Business managers' credibility to overall HR function as a whole is not on high level irrespective to managers' evaluation to HR Business Partners credibility was on relatively high level - average 3,8 on 5 point scale (Table 7, Business managers' evaluations to HRBP behaviors). 7 managers evaluated overall HR function credibility to be on good or medium

level, 5 managers saw different gaps and did not give good evaluation. **Main suggestions to HR was to be more pro-active and find solutions to help business go forward.**

BM6: They should have more active role. Sometimes business is facing facts that some things cannot be done, for example some employees are not found.

BM8: Mainly yes but some unanswered e-mails. Pro-activeness should be improvement area.

BM4: That should be better.

12 of the managers were overall satisfied with HR function support to business. As global researches show, it has become more and more important for HR to be part of the business, we can also see this here as one expectation from managers. HR should know the business, actively give their opinion, and drive business forward. **In difficult situations, HR is able to cope well according to 11 managers,** 2 managers answered that this should be better and one did not rate. See figure 7.3.5.1 HR ability to manage difficult situations. Usually these complex situations are handled by HRBP-s and this again proves the reliability managers have in their HRBP-s.

BM8: Okey, but business side should be done more actively. Should be more in part in business and not just to do what is asked but be part in business.

BM3: Supports but they are not enough familiar with what we need within the business.

BM5: /... HR should have own strategy that supports business. And our units have totally different needs and there may be cannot be one common strategy.../

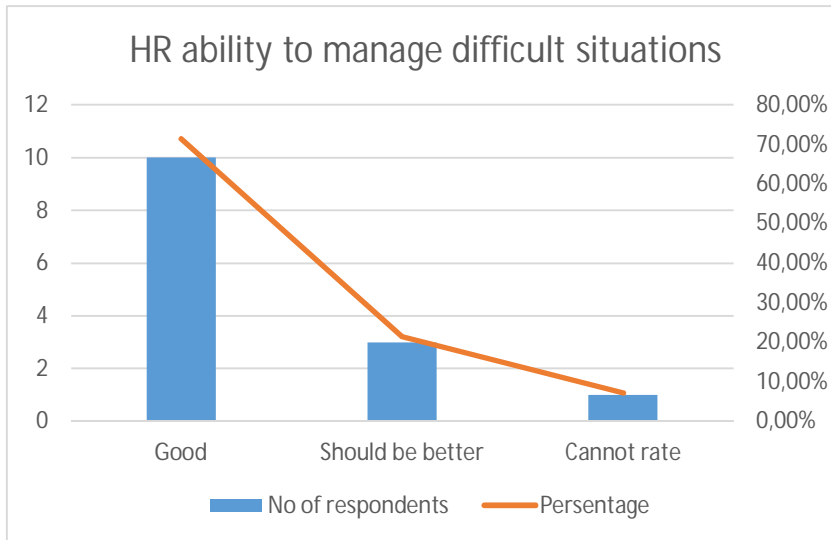


Figure 19

HR ability to manage difficult situations

Source: Composed by Author

Change management has been part of HR competences since the 1980-s. In ABB, changes happen constantly. Some changes effect few employees and some large amount of employees. Most managers feel that **HR is able to support business when changes happen**. Still they see that this could be done in a more professional way, also HR should be more active and point managers attention to proper way of communicating change in organization. 3 managers feel that this is not working and HR is not giving them any support during changes.

BM12: /... But at the moment I have not got support in thinking what happens when some actions are transferred out from my department. I'm missing the discussion support./

BM8: /... We should have proper plan and then communicate that to people. If change lasts for 3 months also during the project has to be communicated where we are and what will follow. If in management meeting is told that change is coming then HR should ask the managers what about the communication and change plan./

Managers' evaluation to **salary, bonus and benefit system** in ABB Baltics got various different comments from managers. Expectations in the labor market for salary, benefit and bonus systems in companies has become competitive over the years. In Estonia, all the large size companies offer different employer benefits to employees. **In ABB 2014 in employees work satisfaction survey employees in Estonia rated that benefits are important to them,**

3.6 points on 5 point scale. Managers interviewed were mostly not well familiar with the benefits ABB in Baltics is providing. As they did not have much info what the benefits are, several persons suggested communicating benefits better to employees and making more visible what company offers as benefits to employees.

Salary systems in ABB Baltics are different for office employees and factory workers or service workers. Managers are familiar with the salary systems concerning their own units. **7 of the managers evaluated the salary system working on normal acceptable level, 7 found different disadvantages in the system,** like it is not flexible enough as it is mainly focused on the average of employees and does not give so free hands to be more flexible in case of talented employees.

For the bonus system, managers had various different viewpoints. The bonus offered to the office employees is in managers opinion either too high level percentage, which is taking a big part of salary budget but has once a year small positive effect compared to using this as part of monthly regular salary budget and keeping the salary levels higher. Bonus KPI-s are also far from the employees and they do not see how they can influence the bonus outcome results. For production workers salary and bonus systems development the business managers are expecting from HR more support and market knowledge sharing to upgrade the existing systems and benchmark with good systems from the market.

BM2: /...Base salary system could be more flexible, should be connected to persons performance and development./

BM3: The system is meant for average and not for the 15% of employees who are talents.

BM8: Too often the triggers and KPI-s are too far away from the employees. It should be more clear to employees how they can influence. For example HR and business manager could together make a communication plan how for example employee can influence cash flow. So concrete examples and explanations to employees, then we will get more out of this system.

BM10: /...KPI-s is not very motivation for individuals cause the figures are far away from personal influence./

BM12: /The bonus system is not working as the personal influence is too small in the scorecard used. ... Employees are not related to this./

HR using HR data and analytics for making business decision was evaluated positively by 7 managers who see that HR is using some kind of data in decision making. For example, annual salary survey data is used when annual salary reviews are done or salaries are set for new employees. In some bigger units' monthly turnover, sickness and overtime rate is followed. 5 managers did not see that HR is using statistics and data for decision making.

BM5: Yes, we look this info in general. Plus EMOR work satisfaction survey has been done. HR has given this info but not sure that this is actually used in business decisions.

BM10: Labor market data is used. Turnover etc. measured an that is good.

BM8: No. this is not discussed in Baltic monthly management meeting.

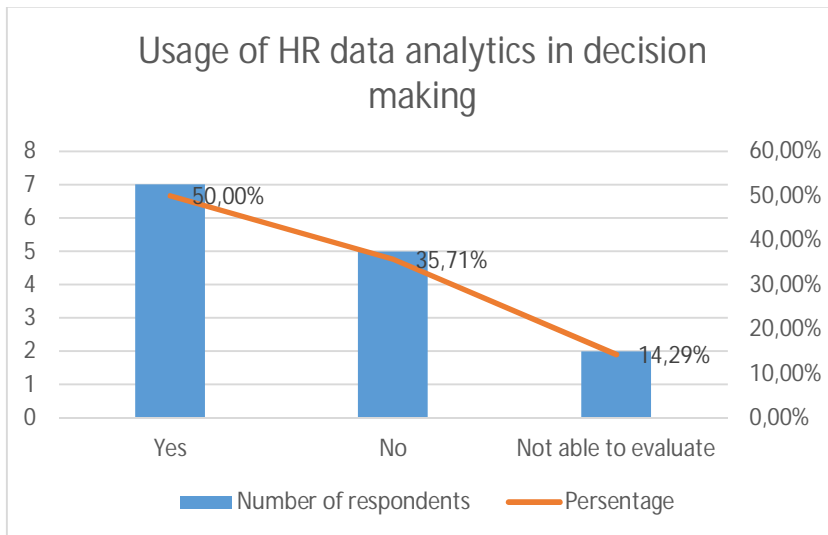


Figure 20

Usage of HR data analytics in decision making

Source: Composed by Author

Operating in line with the law is in ABB one of the company's core values – Safety and Integrity. Business managers were asked if HR has been in their opinion been able to keep their actions according to the local law and legislation and in line with ABB guidelines. **12 managers out of 14 said that yes, this is working flawlessly.** One manager found that HR has not been able to be in line in what comes to business travel rules in Latvia and ABB rules used are not in line with the local law.

BM14: No, there are some gaps. For example, coming late from business trip. If you come later than 9pm I have a possibility to use 4 hours free after the business this, this is officially not able to use. In HR tool this is not possible to do.

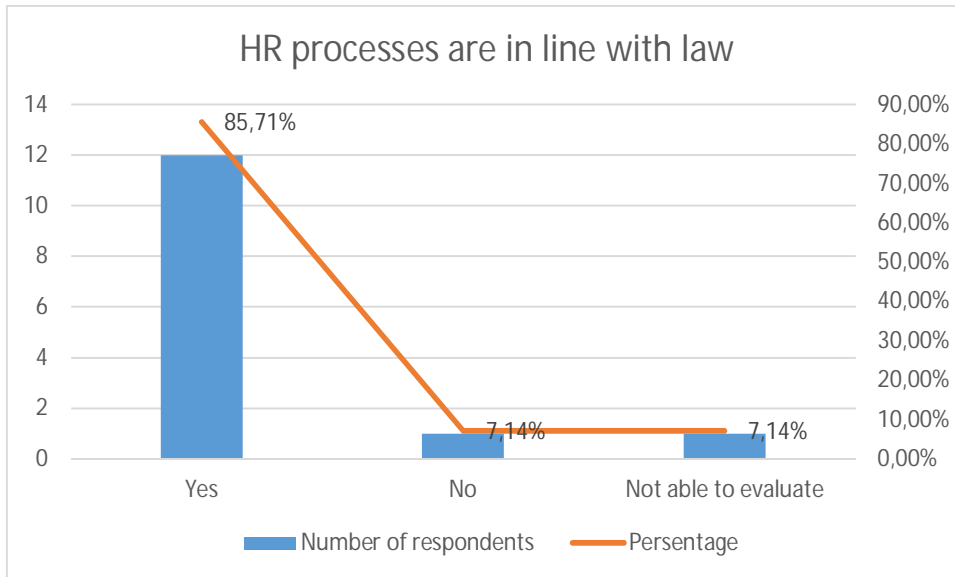


Figure 21

HR processes are in line with law

Source: Composed by Author

In general HR function competences are evaluated by managers higher level than average. HR should be still more proactive in giving information, managing changes, reflecting HR data analytics to decision making and openly giving their input and opinion to business decisions.

8.4 Discussion, conclusions

Credible Activist has been the core competence for HR professionals for years; it means HR professionals have relationship of trust and influence with the key people in organization (Ulrich et al.). All high level Baltic managers see HR Business Partners as their first and most important contact point with HR function. HRBP has to have strong Credible Activist competence. Some even stated that HRBP is the only person and contact point for them in HR and they do not see the need to know about the other HR function roles or persons. Still the expectation to HRBP-s from business managers also varies from strategical partner working hand in hand with business manager developing the business through people to a more administrative and supportive role

for both managers and employees in unit. Authors' suggestion for all HRBP-s and business managers is to have a discussion on expectations from both sides. Furthermore, as HRBP role in ABB in global level is also changing and changes should be introduced and explained to business managers, this is an opportunity for clarification and will bring benefit to cooperation. Having low performers in HRBP role should not be acceptable. The research showed that for most HRBP-s the credibility and trust level is high but business knowledge competence still needs development.

Change management has been HR core competence for decades. HR professionals are expected to help their companies face, accept, and be open to the pressure of change rather than hide from them. They conceptualize and design organizational agility, flexibility and responsiveness to external changes (Ulrich, 2012). Research shows that most managers feel that HR is able to support business when changes happen, but in some cases there is no support. Even when the support is there, it should be given in a more professional way, HR should be more active and point managers' attention to proper way of communicating change in organization, support and help in the process. This HR competence should be developed and here benchmarking from good examples inside the organization could help.

Talent management is ongoing process and needs consistent HR function involvement, furthermore consistent work from leaders because each part of talent management is also part of leaders work (DeLong, 2014). Often HR develops talent through learning and leadership development programs and feedback processes (M. Srimannarayana, 2013). It is a part of capability building in organizations, HR professionals have Human Capital Curator role (The RTL Group, 2015). Research showed that recruitment, talent management is crucial to all businesses, and that must be kept in a high level. Authors' suggestion is to collect regular feedback after recruitments and openly discuss with managers about problematical situations. HR should continue with using the regular annual talent management processes like performance appraisals, People Review Sessions, Succession planning. So far, these processes have shown good results and this is helping businesses, business managers see these as useful and needed HR actions and it should be maintained. With talent management processes the organizational capabilities are built and maintained and this practice should be maintained. 55%

of senior leadership teams see that capability building is in the top three priority in the company's current strategic agenda (McKinsey Global Survey, 2010).

Part of Talent Management is performance management. The new generations are not as dedicated as the ones before, therefore engagement and retention might turn into a huge challenge for organizations. As part of engagement, agile performance management is in focus (Taylor, 2015). Expectation to pro-active attitude from HR came out in the research in several different questions weather in case of sharing HR related information or giving opinion in business related topics. Attitude expected is positive; in activities, HR should be more flexible and fast. For all HR function roles, listening to the business needs and aligning HR processes accordingly should be the right attitude to have. As a result, from the research we can see that in difficult situations HR is able to cope well. As the difficult situations are mainly in business this shows that, it is a strong side of HRBP-s.

One important role HR has is to use HR data internally from the company and HR market data, analyses this data and use for decision making. This competence is called “**Analytics designer and interpreter** “, it means ability to use analytics to improve decision-making (The RTL Group, 2015). The research showed that this is partly used in ABB Baltics and could be implemented better in all units. The monthly statistics used is following turnover, sickness rate and overtime hours. This should be done in all business units. For salary reviews the annual Fontes salary survey is used to compare ABB offers with the market. Employees Satisfaction survey has been conducted every second year since 2012. This has given good information about employees engagement. Still the improvement actions to this survey were not conducted in all units. The next survey will be conducted in 2016 and then HR should take a lead and help managers to make improvement action plans in all units and follow them up.

Communication is part of every role in organization. Research showed that communication with HR function is complicated due to various contact points and e-mail groups. Different topics have to be addressed to different employee groups, often questions have to be sent to anonymous e-mail group addresses from where the answers received are not personalized, neither there are rules of answering times or persons by topics. In some cases that leads to several persons responding to same questions on different times or even not answered questions. Author suggestion for improving communication with all HR functions is to create and agree on clear

rules inside HR function. Managers' expectation is to have quick response time and personalized answers from anonymous e-mail addresses (for example hrc@ee.abb.com). Proposal is to have maximum 2 working days response time and always add to e-mail answers name of the person responding and dealing with managers' questions. Create system to be able to track the answered times to ensure all e-mails should get answers.

CedarCrestone, global **HR IT solutions** provider research in 2005 showed that adopting more HR technologies increased companies profit (Martin, 2014). Most large global organization have HR functions encompassed in to one HR module or ERP system (Ulrich et al, 2012). In ABB several different IT solutions are used for HR activities. Research shows that HR SAP system that is created locally in Baltic level is more constrain to business than supporting and saving time. It's functionality and user friendliness in not in line with contemporary solutions. Furthermore, IT systems are not supporting any activities concerning rental employees, but as this is strategical decision of the company to use rental workforce also the systems should support it. Authors' suggestion for HR function is to ask more concrete and detail business input, business needs and taken into account.

Acting in line with the law is one of ABB-s company values – Safety and Integrity. HR should have competence that supports being in line with the law and regulations. Often HR is the one to create the rules and regulations in company that describe the expected behaviors from employees. **Compliance manager** is role HR should carry, it means HR is able to manage the processes related to compliance in a successful way following regulatory guidelines (The RTL Group, 2015). In ABB Baltics this topic is very closely followed from top management down to every employee. The principal is to work safely and honestly or not work at all. Research shows that in this competence also HR is in good level. Only one manager indicated that there might be some rules that need to be checked in Latvia in line with the travel regulations.

Total reward steward – ability to keep employees well-being in good level by managing the financial and non-financial rewards.

Strategic Positioner – one central HR role (The RTL Group, 2015). Strategic HR work is to secure that organization has the high-performing workforce that demonstrates the right competences to meet strategic objectives and drive business results (Johri, 2014). HR has to align their strategy with company strategy and make action plan to execute it. Reaserch shows

that often Baltic HR function is fractured, even inside small teams in HR function there might be overlapping or shortfalls in work tasks. The team itself does not act as one common team. Authors' proposal to HR function is to build common vision as one Baltic HR team – what is the way we work and what we want to achieve. Next step is to build up annual action plan with common targets and this should be followed up. Roles and responsibilities inside HR function can be clarified with building up responsibility matrix. Competences can be developed with mentoring inside the team, exploring business knowledge from business side and changing attitude towards business supportive, agile and open-minded.

9. RESUME

The competences required for being successful in HR have become more demanding and intellectually complicated during the years. Basics, as delivering paperwork, supporting in change and having business knowledge have staid as important competences, but the expectation in these areas has also grown. The current research shows that supportive HR roles as HR Center and payroll should work flawlessly and seamlessly. HR competence that should be developed in ABB Baltic HR team is business knowledge, to be able to better understand business needs, take them into account when implementing or developing HR processes. HR should be more agile and fast in solving issues. HR Center should give fast and professional answers. Furthermore, pro-activeness is expected during making changes happen and expressing opinion.

HR people are expected to be equal partners to business manager and help to align organizational structure when business changes; attract, retain and develop talented employees; have their voice in business decisions; propose changes and support in change management, all this to gain set business targets. Most important in order to use the knowledge and competence and be respected partner to business, HR people need to be personally credible and build open trustful relationships with managers, they have to be listened and appreciated. Thesis research shows that the most important role in HR function is HR Business Partner (HRBP) as this person is the closest to business. HRBP-s should be well aware of having key role and perform accordingly. The expectation to HRBP-s is to have good business knowledge and understanding, work closely with business manager in developing, engaging and supporting managers and employees with the goal of achieving business targets. They have to be able to have open and trustful relationships and openly express their opinion in business decisions.

Talent management has been important area in HR work since year 2000. On that time companies started to realize how valuable are talented employees to companies and what is the

price for a company when these people leave. Succession planning and talent development started to be in focus. This is now one of the most time consuming area of HR work. It consist of attracting the talented employees, identifying them from the market or internally in the company, assessing and developing employees and giving them new roles and responsibilities. The research shows that managers appreciate the talent management processes that are in use in ABB, for example they see that annual People Review Sessions where talents, performance and development is discussed, is valuable activity. The expectation to recruitment team is to get the needed good people in ABB. When it comes to employees' development, then in some units HR has development room to make better training plans and support managers more. With ABB global training programs organized in Baltics, the satisfaction level is high.

As we are living in technology age, HR has to be able to combine all possible activities with IT solutions. Not only HR is expected to use IT systems for data management but also use them to support every day HR processes like appraisals and recruitment. Social media channels are used in employer branding, company internal social media channels for employee engagement. Research results show that IT systems in use in ABB Baltics do not comply with nowadays possibilities and requirements, but as ABB is Technology Company, the expectations for IT systems are high. The functionality and user friendliness if IT systems taken info use during last 2 years cannot be considered as contemporary and business input has not been taken into consideration during the development phase. It is understandable by managers that the new solutions are very expensive, it cannot be provided, but anyhow they see that business input in development has not been asked and taken into account. Authors proposal is to involve more HRBP-s and business managers to any IT or HR processes development, ask and take into account their input.

As a result of the research can be seen, the one of the biggest unsatisfactory factors is communication issues, in some cases fraction of HR recourses and channels managers have to turn to in order to get their answers to HR topics. The satisfaction is bigger for managers who rated their HRBP to be credible, reliable and professional. Communication in managers' view is not personal enough as common e-mail groups are used, for example hrc@ee.abb.com, answers from these e-mails are sometimes not given in a reasonable time and they are not signed personally, in some cases answers are given by several persons on different times. That creates

not professional appearance of HR work. Authors' proposal is to agree on the timeline of giving answers and personalize answers by topics or times.

As a conclusion, Author sees that in Baltic HR function there are high and low performers. The satisfaction has dropped because there are many new employees in the department and the competence level is fluctuating. In addition, communication between HR and managers differentiates by persons; the aim should be to have closer and more open and trustful relations with business managers. This can be gained by delivering what is promised with a good quality level.

HR has to have HR strategy that supports business strategy. HR is not any more only a supportive role, it is as important as any other part of the businesses. HR has to be able to align their activities in different business environment whether it is international or local operations, industry or service, diversity in employees, the differences in legislations etc. Authors' proposal to HR function in Baltics is to build common vision as one Baltic HR team with common annual targets and action plan to be followed up. Roles and responsibilities inside HR function can be clarified with building up responsibility matrix. Competences can be developed with mentoring inside the team, exploring business knowledge from business side and changing attitude towards business supportive, agile and open-minded.

10. REFERENCES

1. Ahmed P., Kaushik, M. D. (2011, April-September), Career Planning – An Imperative for Employee Performance Management System. *International Journal of Business Insights & Transformation*, 2, 102-109.
2. Alas, R., Eomois, E., Furman, J., Kaarelson, T., Rillo, M., Uudelepp, A., (2015), Eesti juhtimisvaldkonna uuring. Civitta, Estonian Business School.
3. Bell, B. S., Lee, S.-W., Yeung, S. K. (2006, Fall), The impact of e-HR on professional competence in HRM: implications for the development of HR professionals. *Human Resource Management*, 3, 295-308.
4. Brewster, C. (2002), *Human Recourse Practices in Multinational Companies*. The Blackwell Handbook of Cross Cultural Management.
5. Brockbank W., Ulrich, D., Younger, J., Ulrich, M. (2012, March), Recent Study Shows Impact of HR Competencies on Business Performance. *Employment Relations Today*.
6. Carmeli, A., Schaubroeck, J. (2005, Winter), How leveraging human resource capital with its competitive distinctiveness enhances the performance of commercial and public organizations. *Human Resource Management*, 4, 391-412.
7. CEB Corporate Leadership Council (2015, Q4), Global Talent Monitor. Update on Workforce Activity. <https://www.cebglobal.com/top-insights/global-talent-monitor.html>
8. Charan, R. (2014, July-August), It's Time to Split HR, *Harvard Business Review*
9. Collins, C. J., Smith, K. G. (2006, Jun), Knowledge exchange and combination: the role of human resource practices in the performance of high-technology firms. *Academy of Management Journal*, 3, 544-560.
10. DeLong, D. (2014, December), Closing the Skills Gap: Innovative Talent Management Solutions for a Changing Workforce. *Harvard Business Review*.


11. Easterday, M. W., Lewis, D. R., Gerber, E.M., (2003, January/February) Design-Based Research Process: Problems, Phases, and Applications. *Educational Researcher*, 32, 1, 5–8.
12. Francisa, H., Parkesb, C., Reddingtona, M. (2014, June), E-HR and international HRM: a critical perspective on the discursive framing of e-HR. *International Journal of Human Resource Management*. 10, 1327-1350.
13. Gartner (2009, October 2), Top Strategic Predictions for 2016 and Beyond: The Future Is a Digital Thing. <http://www.codespring.ro/news/gartner-top-strategic-predictions-for-2016-and-beyond-the-future-is-a-digital-thing>.
14. Global HR Cervices, ABB Global (2015 February), Applying the Net Promoter Score in HR, An Briefing Guide. ABB Internal guideline.
15. Grossmann, R. J. (2007, June), New Competencies of HR. *HR Magazine*, 58-62.
16. Hamel, G. (2006, February) The Why, What, and How of Management Innovation. *Harvard Business Review*, 1-18.
17. Hamel, G. (2015, April 14) The 15 Diseases of Leadership, According to Pope Francis. *Harvard Business Review*, 1-9.
18. Harrison, A. (2013, December). *Business Environment in a Global Context*.
19. Johri, A. (2014, June), Competency Mapping as a Strategic HR Tool in Manufacturing Industry: An Empirical Study. *IUP Journal of Management Research*. 3, 7-24.
20. Kumar, R., (2016, January), HR trends and challenges for 2016: a 360 degree makeover? http://www.academia.edu/20172108/HR_trends_and_challenges_for_2016_A_360_degree_makeover.
21. Lado, A. A., Wilson, C. M. (1994, October 1), Human resource systems and sustained competitive advantage: a competency-based perspective. *Peer Reviewed Journal*, 19, 699-727.
22. Laherand, M.-L. (2008). *Kvalitatiivne uurimisviis*. Tallinn: Infotrükk.
23. LinkedIn Talent Solutions (2015), Global recruiting trends 2016. https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/GRT16_GlobalRecruiting_100815.pdf
24. Longa, C., S., Ismailb, W. K. W, Mohd Amina, S. (2013, August), The role of change agent as mediator in the relationship between HR competencies and organizational

- performance. *International Journal of Human Resource Management*. 24, 10, 2019-2033, 15.
25. Losey, M. R. (1999, June), Mastering the competencies of HR management. *Human Resource Management*, 38, 2, 99-102.
 26. Louis, Cohen (1986), *Research methods in education/Louise Cohen and Lawrence Manion* (2nd edition).
 27. Manpower (2010) *Is Talent Holding You Back? Designing Workforce Strategy for Sustained Business*. http://www.manpowergroup.com/wps/wcm/connect/0390cecf-f049-4fbd-8d5b-9e7bfaca0932/Is_Talent_Holding_You_Back.pdf?MOD=AJPERES
 28. Martin, L. (2014, May), *Proving the Value of HR Technologies*, CedarCrestone, Workforce solutions review.
 29. McKinsey (2010) *Building organizational capabilities: McKinsey Global Survey results* <http://www.mckinsey.com/business-functions/organization/our-insights/building-organizational-capabilities-mckinsey-global-survey-results>
 30. Moschetto, M. (2013, December), *Key Trends in Workforce Management and New Challenges for HR*. *Employment Relations Today* (Wiley).
 31. Poór, j., Slavić, A., Berber, N., (2015), The competences of HR managers and their impact on the organizational success of MNCS´subsidiaries in the CEE region. *Central Europe Business Review*. 1, 5-13.
 32. Rani, N., Singla, J. (2015, July) *Auditing Human Resource Functions & Competencies: An Empirical Study*. *Indian Journal of Industrial Relations*, 1, 109-120.
 33. Reichheld, F. F. (2003, December), *The one number you need to grow*. *Harvard Business Review*.
 34. Sandersa K., Frenkel, S. (2011, April), *HR-line management relations: characteristics and effects*. *International Journal of Human Resource Management*. 8, 1611-1617
 35. Srimannarayana, M. (2013, October), *Human Recourse Competencies as Perceived by Executives*. *Indian Journal of Industrial Relations*. 49, 2, 298-313.
 36. Taylor C. (2015, March 17), *10 HR trends for 2015*. <http://www.hcamag.com/hr-news/10-hr-trends-for-2015-198159.aspx>.

37. Tepp, M. (2007), HR Profession in Estonia: Content and Contradictions. Working Papers in Economics, 159-162, 17-31. School of Economics and Business Administration, Tallinn University of Technology.
38. The RBL Group (2015, December), HRCS Global research “Creating HR value from outside in”. <https://rbl.net/s3/?rblip/HRCS/pdf/hrcs-7-report.pdf>.
39. Ulrich, D., Becker, B. E., Huselid, M. A., (2001), The HR Scorecard, Linking people, Strategy, and Performance. Harward Business School Press.
40. Ulrich, D., Sciemann, W. A., Sartain, L (2015), The rise of HR, Wisdom from 73 through leaders. HR Certification Institute.
41. Ulrich, D., Younger, J., Brockbanck, W. (2012) HR from Outside In, Mc Graw Hill.
42. Ways, S., Snell, A., Shadur, M. A. and Wright, P. M. (2006) The Blackwell Handbook of Strategic Management, 23. Human Resources Strategy: The Era of Our.
43. Özdemr, S., Akatay, A., Eroglu, U. (2015, October), Competencies of HR professionals: a study on the HR competencies of university students. 2, 4, 47-60, 14.
44. Yeung, A. K., Berman, B. (1997, Fall) Adding value through human resources: reorienting human resource measurement to drive business performance. Human Resource Management, 3, 321-335.


APPENDICES

Appendix 1, HR NPS survey in ABB




How likely is that you would recommend our HR function to an ABB colleague?

Extremely unlikely (0) (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) Extremely likely

 Drag a red card onto the item we most need to improve
At any time SUBMIT your survey below or make use of the remaining cards

Partnering for ABB	Portfolio	Service and Operation
Enabling management decisions	Productive Recruitment	Good cost/benefit balance
Support in leading people	Effective Talent Management	Response & delivery time
Ease of doing business with	Qualitative Leadership Development	Efficient systems & tools
Resolution ability	Competitive Compensation & Benefits	Adequate quality work
Facilitating change	Reliable Payroll service	Effective Communication
Other - please explain		

 You may wish to place a green card on an item you believe ABB does well

SUBMIT your survey This survey is anonymous by default. However, if you would like to make yourself available to answer

Appendix 2, Questionnaire for managers

Please answer the next questions about HR function in ABB. The purpose of the interview is to more deeply analyze managers' satisfaction with HR function work and find areas of improvement. The need for deeper analyze comes from poor results of annual NPS survey. The questions asked are built up from being more overall to deeper in each area of HR work or competences.

Block 1 – Overall evaluation and expectation to HR function

1. In your personal opinion what is the most important task of HR function in ABB Baltics?
2. In your opinion what are the key competences for HR function in ABB Baltics?
3. In your opinion what is working well in Baltic HR function?
4. In your opinion what is needs improvement in Baltic HR function?

Block 2 – Evaluation of different roles in HR function

5. What are your expectations to HR function in ABB Baltics. Overall expectations and more specifically to:
 - a. Your HRBP
 - b. HR Center
 - c. Payroll (Compensation and benefits team)
 - d. Recruitment (Talent Acquisition team)
 - e. Country HR
 - f. Talent Management function

Helping question: What is the accountability for these functions?

6. Please bring out which part of HR work you are most satisfied with and which part of work less satisfied. Please explain why.

Function	Most satisfied with	Least satisfied with
Your HRBP		
HR Center		

Payroll (Compensation and benefits team)		
Recruitment (Talent Acquisition team)		
Country HR		
Talent Management function		

7. As HRBP is the closest to business and effects the business the most I would ask you to please answer the next questions about your HR Business Partner:

Rate 1-5, 1= low; 5= high

- 1) Does you HRBP has the needed expertize to contribute to business and functional goals?
Credibility
- 2) Has your HRBP built a reputation and track record for meeting commitments and keeping promises by preforming well on accountabilities? Reliability
- 3) Has she/he established effective interpersonal relationship with you and other leaders?
Intimacy
- 4) Your HRBP is avoiding even the appearance of being manipulative or self-serving in what she does and how she does it. Perception of self-interest

Explanation: your answers will give the evaluation of the level of trust you have in your HRBP according to D. Ulrich method.

Block 3 – Communication with HR

8. From where you get most of HR related information and news. Meaning HR actions needed to be done (PDA, assessments, salary reviews etc.)?
9. Which way this information is delivered to you? E-mail, face to face talking, weekly newsletter or other

10. How would you evaluate the information quality you receive from HR function?

11. How would you evaluate the communication with HR team?

Block 4 – Technology used for HR activities

12. How would you evaluate the HR IT systems used in ABB Baltics? Considering the facts how systems support business, are they user friendly, how reliable are systems.

Please evaluate the next HR systems:

- 1) HR Group tools, including PDA system, E-rec technical functionality, Competence Assessments and Talent profile info.
- 2) HR SAP and SAP portal, including working time monthly reporting, vacation planning.
- 3) HR Baltic web page on ABB Baltic insight

Block 5 - HR function competence evaluations

13. Next questions are about the HR whole function in ABB and with the answers, you will give evaluation to different HR competences. Please answer the questions and comment why you give such answer.

- 1) Does HR do what is promised and is supportive and professional?
- 2) Does HR understand business in the changing environment and is able to align HR strategy and activities in line with business strategy to meet the targets?
- 3) Is HR able to operate well in different difficult situations? For example in case on lay-off of employees or solving conflicts between employees.
- 4) Is HR able to support business in making the change happen?
- 5) Is HR able to identify talents in ABB and from the labor market and attract and develop them?
- 6) Is HR able to use social media in employer branding?
- 7) Please give your evaluation to ABB compensation systems in Baltics. Including employer benefits, salary system and bonus system.
- 8) Is HR using analytical data and statistics for decision-making?
- 9) Is HR working in line with the law and ABB regulations?

Appendix 3, NPS Red and Green card analyzes

NPS red card comments analyses		Similarities in comments															
		Technology and Media Integrator		Credible activist			Culture and change champion		Paradox navigator	Total rewards steward							
Comment area	Comment description	Constrain to business	Lack in usability/friendliness in system	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competence	Lack of support from HR function	Low speed in action	Lackings in communication	Enabeling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Efficient systems & tools	HR Processes and tools are terrible and are becoming to constrain business: * doublereporting (payroll, worktimes, vacation times etc) * employee notifications from system unreliable (only for few employees are coming) * changes in systems not working (moving in between units, new managers, subordinate = mess in HRGT) * requirment process is full on bureaucracy * etc	1	1														
Efficient systems & tools	I do not know whom created?		1														
Efficient systems & tools	Master data from HR systems is source for other processes and must be reliable and available. Additional processes that should be supported by systems: training management, MyProperty, tables of authority			1													
Efficient systems & tools	Cause of the other red card		1														
Efficient systems & tools	Usability of HR group tools like PDA. Interface could be better. Process limitations too strict like mid-year schedule on holiday season. Should rather be from June-August. Also target setting document cannot be opened before official date of change. As a result creating shadow process. Also basic processes/tools like headcount reporting should be done more efficiently in multi BU-PG environment.	1	1														
Efficient systems & tools	Burden is put on unit's- e.g. starting from creating the job advertismnt, to organise trainings, to keep track of the expiring trainings etc.						1										
Efficient systems & tools	Some tools are outdated (payroll) which prevents them from integrating to other systems in use. UTD tools, however, very often are not bringing too much of the benefits due to poor processes in HRC (SAP MD).	1	1														
Efficient systems & tools	Amex T&C are unfavourable for employees. ABB is not able to reimburse directly to Amex account.		1														

NPS red card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist			Culture and change champion		Paradox navigator	Total rewards steward								
Comment area	Comment description	Constrain to business	Lack in usability/friendliness in systems	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competence	Lack of support from HR function	Low speed in action	Lackings in communication	Enabling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
	There is a lot of manual work with different payroll tool and no automatic interaction with other tools (SAP, HR Group tools). it seems that for example cost centers are maintained in at least 3 or maybe even 4 different places and those are not always correct, and at the same time wastes HR resources also when they have to maintain different things in different tools several times. Also there are several things that needs to be done manually - vacation accruals in LV and LT, bank payments. I think there is a lot to improve in HR systems and tools		1	1													
Efficient systems & tools	HR SAP portal not good		1														
Efficient systems & tools	eRec and SAP Hr are not really comfortable tools.		1														
Efficient systems & tools	Not all tools works efficiently, no trainings provided on all tools before implementation		1				1										
Ease of doing business with	Minu jaoks on raske kuna ei valda inglise keelt		1														
Ease of doing business with	It took more than week to publish the vacancy								1								
Ease of doing business with	Too often changes at dedicated HR staff				1												
Ease of doing business with	HR personnel is always really busy, and even if you get an agreement to do something, the actions will move on and on.								1								
Ease of doing business with	poor								1								
Ease of doing business with	HR should be more proactive to understand business need and then develop the services to meet that					1											
Ease of doing business with	All the time we had a problems- not to willing to help us.							1									
Ease of doing business with	...																
Reliable Payroll service	Changes and communication of those lacking/delayed too often								1	1							
Reliable Payroll service	The systems are not well integrated and do not enable for reliable and flexible operations. (Dates for approval changing in HR center, Vacation money paid before vacation although stated "with the salary" in the systems, Time of processing holiday changes is way too long, Salary payment flexibility, etc.)	1	1														
Reliable Payroll service	Basics, like reliable payslip should be always provided. Due to ESAP participation, month end payslip not indicated correct amount of taxes for instance. Also workers complaining how timely and reliably payslip is provided them.				1												
Reliable Payroll service	High level of mistakes still occur both in payroll and T&E calculation and payments. Instances happen practically daily.						1										

NPS red card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist				Culture and change champion	Paradox navigator	Total rewards steward								
Comment area	Comment description	Constrain to business	Lack in usability/friendliness in system	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competence	Lack of support from HR function	Low speed in action	Lackings in communication	Enabling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Reliable Payroll service	Unclear if payments are done on time. Need to ask each time if they have received a message or email with expense reports or employee's salary bonus.									1							
Reliable Payroll service	In the Baltic's we have big room for development																
Reliable Payroll service	Mistakes in salary calculation, sometimes takes long to proceed with payments					1		1									
Reliable Payroll service	Continuous problems with payroll locally (errors in calculations, application of different taxation schemes, not always retain lessons learned within HR structure - knowledge is lost when some one from HR team leaves)					1											
Reliable Payroll service	quite a lot of mistakes in payroll calculations.					1											
Productive Recruitment	Changes in recruitment process are not adequately communicated and responsibilities are unclear.								1								
Productive Recruitment	Recruitment outsourced. No quality at all, no support from local HR center. Processes with the subcontractor not agreed. In reality all activities and responsibility just loaded for recruiting manager with any explanation or warning.				1		1		1								
Productive Recruitment	Recruiters too eager to take any first candidate in house, instead of taking the time to find the best one.				1		1										
Productive Recruitment	No active support from HRBP for recruiters and recruiting managers.				1		1										
Productive Recruitment	The system itself is good, but the BU level this is very slow, clumsy.	1															
Productive Recruitment	Difficult to find right people											1					
Productive Recruitment	HR department should manage recruitments in Estonia as a whole system not unit by unit. For example some engineering positions are constantly not filled. It is odd when some other unit manager asks from me if we had any good candidates from our last recruitment. HR should provide this info.				1		1		1								
Productive Recruitment	Too passive in the past						1										
Productive Recruitment	Recruitment going slowly							1									
Effective Communication	No sufficient information available what are the everyday activities of HR in general, what is the leading idea?				1				1								
Effective Communication	Communication should be improved. Business needs should be driver.	1							1								
Effective Communication	+																
Effective Communication	Ühele inimesele kirjutad 3 inimest erinvatel aegadel vastab.									1							
Effective Communication	Do we have HR in Latvia??				1				1								
Effective Communication	In case of non-standard question, getting answer or update is very difficult.					1		1									

NPS red card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist	Culture and change champion	Paradox navigator	Total rewards steward											
Comment area	Comment description	Constrain to business	Lack in usability/friendliness in system	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competence	Lack of support from HR function	Low speed in action	Lackings in communication	Enabling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Competitive Compensation & Benefits	Bonus scheme for support units leaves very little room for individual or unit specific targets to emphasize need for strong individual contribution from everyone												1				
Competitive Compensation & Benefits	Compensations are far from competitive												1				
Competitive Compensation & Benefits	I am not sure if HR has a clear strategy how to find good employees from the market for fair price. For some reason non of the experienced talents apply to ABB.											1	1				
Competitive Compensation & Benefits	The process of revising compensation and benefits is not challenging enough and does not match in time with PDA process when targets and results are discussed.												1				
Competitive Compensation & Benefits	Not competitive in comparison with Customers, Partners and Competitors. Compensation nad bonus schemes are different for different businesses - no clear understanding and common framework.								1				1				
Effective Talent Management	To map needed skills is managers responsibility, but still I feel that HR can and need do more to this topic. Push and report to management teams/managers that agreed trainings will happen and also challenge managers that they have enough ambition to develop their teams						1										
Effective Talent Management	HRBP targets and actions about EELPLS people development incl.training plan and internal training system are not achieved or done.				1	1											
Effective Talent Management	There is no Effective Talent Management at all				1												
Effective Talent Management	Not really working																
Effective Talent Management	Talent management, which is advertised everywhere, isn't working in practice. Talented people are let go too easily. Reasons: lack of challenges, no actual personal development process in place.				1				1								
Adequate quality work	HR center fails are big mess. Cost centers were people work , assemblers skills levels etc. We need one database , not some limited database and hundreds of excels which doesn't sync						1	1									
Adequate quality work	Business needs should be driver. Please listen more Business Managers needs.	1				1											
Adequate quality work	I have written e-mails to salary department and no answers, workers dont get the vacation money, because the HR have lost the vacation statements.					1	1		1								
Response & delivery time	Recruitment team response time not acceptable. Here I talk about weeks								1								

NPS red card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist				Culture and change champion		Paradox navigator	Total rewards steward							
Comment area	Comment description	Constrain to business	Lack in usability/friendliness in systems	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competence	Lack of support from HR functions	Low speed in action	Lackings in communication	Enabling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
	I have given a red card for Response & delivery time, which could be improved, for the following reasons: Regarding response time, when, as a direct manager, I have requested HR to deal with the agreed trainings in PDAs I have received no answer from HRBP, finding out later that some of the trainings were either not going to be performed or they were already booked. The other topic related to delivery time as well as response time is based on a request for patent remuneration for R&D. This topic was opened in the summer 2014 and still is not clear what is the outcome and I am pushed to request feedback monthly (by means of reminders) about the status. Based on these two examples, I think the response and delivery time can be improved in order to not miss opportunities for development as well as having better image in front of the employees.					1		1	1				1				
Response & delivery time	Some issues remain without reply.								1								
Support in leading people	Our business partner doesn't have time for meeting leading people and line managers during more than half of year				1	1		1									
Support in leading people	poor				1												
Support in leading people	Not much support				1												
Facilitating change	Keeping silent during change.								1								
Facilitating change	The changing HR portal in SAP for production was very difficult. Some problems not found solution yet		1					1									
Qualitative Leadership Development	If to consider people development (why I don't find such area from selections) as part of leadership then: * trainings structure, central leading (Baltic university etc) is poor. Both, on Country and as a support for Unit level.					1											
Qualitative Leadership Development	I can not recall any leadership development or collaborative event/training during last 12 months.								1								
Resolution ability	Sometimes in frames thinking, a lot bureaucracy	1															
Resolution ability	...																
Good cost/benefit balance	Cost structure could be more visible to buyers. Now it is based on calculation keys etc and makes you wonder what I pay for?																

NPS red card comments analyses		Similarities in comments															
		Technology and Media Integrator		Credible activist			Culture and change champion			Paradox navigator	Total rewards steward						
Comment area	Comment description	Constrain to business	Lack in usability/friendliness in systems	Lack of reliability in systems	Lack of reliability in HR people	Lack in professionalism/competence	Lack of support from HR functions	Low speed in action	Lackings in communication	Enabling management decisions	Development programs	External or complex business environment	Lack in compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Other - please explain	I think that HR is working more and more with procedures and standardization, not with people. I am not sure but i'm afraid that HR persons have lost their skills to meet and hear people problems face-to-face etc					1											
Conclusions	No of times mentioned in comments	7	13	4	12	15	9	10	16			2	6	0	0	0	0
	Total per competence			24				46	16			2	6	0	0	0	0

NPS green card comments analyses		Similarities in comments																
		Technology and Media Integrator	Credible activist	Culture and change champion	Paradox navigator	Total rewards steward	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager								
Comment area	Comment description	Systems support business	Usability friendliness in systems	Reliability in systems	High level of reliability in HR people	Good level in professionalism/ competence	Good support from HR function	Good speed in action	Good communication with HR	Enabling management decisions	Good development programs	HR is well coping in complex environment and situations	Compensation systems					
Adequate quality work	Good work quality					1												
Adequate quality work	good					1												
Competitive Compensation & Benefits	quite ok balance, could have more extra options for doing sport with company cost					1												
Competitive Compensation & Benefits	...																	
Ease of doing business with	In case of questions the response is quick and adequate.					1		1										
Ease of doing business with	Nice and helpful team.								1									
Ease of doing business with	Operational questions and topics are solved quickly								1									
Ease of doing business with	HR team members are real professionals. I get feeling that I can trust their competence on area which is really important.				1	1												
Ease of doing business with	Communication is easy with local HR									1								
Ease of doing business with	Good communication								1									
Ease of doing business with	Ok!								1									
Effective Talent Management	I've been positively surprised by the way the Talent Manager is able to spot talents and actually try to help them achieve their potential through recommending their direct manager to focus their development on such and such area.					1	1											
Effective Talent Management	Talent management tools and systems development is really good job.		1															
Effective Talent Management	I think it is important in the company to stress the career opportunities, talent management, employee development. and I think HR is doing that very well						1											
Effective Talent Management	Perfect, takes into account many factors						1											
Effective Talent Management	good system		1															
Effective Talent Management	PDA is good thing		1															
Effective Talent Management	...																	
Efficient systems & tools	PDA tools and system is really good level		1	1														
Efficient systems & tools	good tools		1	1														
Efficient systems & tools	HR portal		1	1														
Efficient systems & tools	Implemented HR SAP and PDA tools are efficient and useful.	1	1	1														
Efficient systems & tools	Good HR tools on-line		1															

NPS green card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist			Culture and change champion			Paradox navigator	Total rewards steward							
Comment area	Comment description	Systems support business	Usability friendliness in systems	Reliability in systems	High level of reliability in HR people	Good level in professionalism/ competence	Good support from HR function	Good speed in action	Good communication with HR	Enabling management decisions	Good development programs	HR is well coping in complex environment and situations	Compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Enabling management decisions	Dont have comments									1							
Enabling management decisions	Good messenger.									1							
Good cost/benefit balance																	
Good cost/benefit balance	Relatively low cost.																
Other - please explain	General workflow is not harming the business too much.																
Productive Recruitment	When hiring has been needed, the recruitment has had very high quality and support has been always present. Keep doing!.				1	1											
Productive Recruitment	Reqrutment activities has been improved: lead time and activity (owning the matter) is clearly there, communications has been good and also cooperation with rental providers is good.					1		1									
Productive Recruitment	Responsible and good job from HR, despite that input from business units is sometimes not too adequate				1	1											
Productive Recruitment																	
Productive Recruitment	I have had a really good cooperation with hiring people to different types of positions - trainees, specialist, managers. If there wouldn't be such a strict hiring restrictions from group, then I really enjoy this part of the HR services.					1	1										
Productive Recruitment	Last recruitment experience was positive						1										
Productive Recruitment																	
Qualitative Leadership Development	On my opinion as a manager and employee is that the programs aimed to leadership development have a very high level encouraging people to develop themselves. Best example that I have seen is how good people react to LCP. There is always a before and after this training.										1						
Qualitative Leadership Development	Leadership challenge, manager essential,										1						
Qualitative Leadership Development	Tools are relatively good. Helpful to find development programs										1						
Reliable Payroll service	payroll department is reliable and easy to do business					1			1								
Reliable Payroll service	No issues with payroll																
Reliable Payroll service	Despite different tools what is needed to use, the payroll service is reliable, good and supportive.					1											

NPS green card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist	Culture and change champion	Paradox navigator	Total rewards steward											
Comment area	Comment description	Systems support business	Usability friendliness in systems	Reliability in systems	High level of reliability in HR people	Good level in professionalism/ competence	Good support from HR function	Good speed in action	Good communication with HR	Enabling management decisions	Good development programs	HR is well coping in complex environment and situations	Compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Reliable Payroll service	always ontime							1									
Reliable Payroll service	No issues																
Reliable Payroll service	Salaries have been paid timely					1											
Reliable Payroll service	reliable service				1												
Reliable Payroll service	always have support if have some problems						1										
Resolution ability	This is improved from earlier times. Today HR team really wants to find solutions. Today I see less "byrocracy style" where people hide behind rules and only want to avoid helping. Good progress:)					1											
Resolution ability	ok																
Response & delivery time	Always good and quick responses from HRBP-s as well from HRC, Payroll. Only this goes in vain due to overcomplicated processes. Still keep this attitude up, that is extremely important!							1									
Response & delivery time	Implement OPEX to get processes better.							1									
Response & delivery time	My queries and questions have been handled quickly							1									
Response & delivery time	Good response time							1									
Response & delivery time	Trainee finding							1									
Response & delivery time	Küsimustele saan alati kiiresti vastuseid							1									
Response & delivery time	Quick with the answers to questions raised							1									
Response & delivery time	Our factory HR partner is always active and solves all the problems.						1										
Response & delivery time	usually it is really good deöivery time							1									
Response & delivery time	OK																
Response & delivery time	Just acceptable																
Response & delivery time	All good!																
Support in leading people	In our factory we have HR partner from whom I get fast and reliable response and support				1			1									
Support in leading people	HRBP support is often good, despite the unit.																
Support in leading people	Also facilitated SMART workshop and basics right were positive and better than expected.					1				1							
Support in leading people	Constructive feedback about HR related law acts and quick help with related documentation.					1											

NPS green card comments analyses		Similarities in comments															
		Technology and Media Integrator	Credible activist			Culture and change champion			Paradox navigator	Total rewards steward							
Comment area	Comment description	Systems support business	Usability friendliness in systems	Reliability in systems	High level of reliability in HR people	Good level in professionalism/ competence	Good support from HR function	Good speed in action	Good communication with HR	Enabling management decisions	Good development programs	HR is well coping in complex environment and situations	Compensation systems	Strategic Positioner	Human capital curator	Analytics designer and Interpreter	Compliance Manager
Support in leading people	Dont have comments						1										
Support in leading people	Our HR partner supports management. Specially when we consider the difficult situation, where we have hiring freeze and other restrictions which are not business led at all. Also for some reason our salary decisions come from higher levels and are made by people who have no info about local market.						1										
Support in leading people	Good in support to find help for developing people						1										
Support in leading people	help to understand people						1										
Support in leading people	A good support						1										
	No of times mentioned in comments	1	8	4	6	18	9	12	5	2	4	0	0	0	0	0	0
Conculsions	Total per competence			13			45				11	0	0	0	0	0	0

Appendix 4, HR NPS Baltic results 2014, 2015

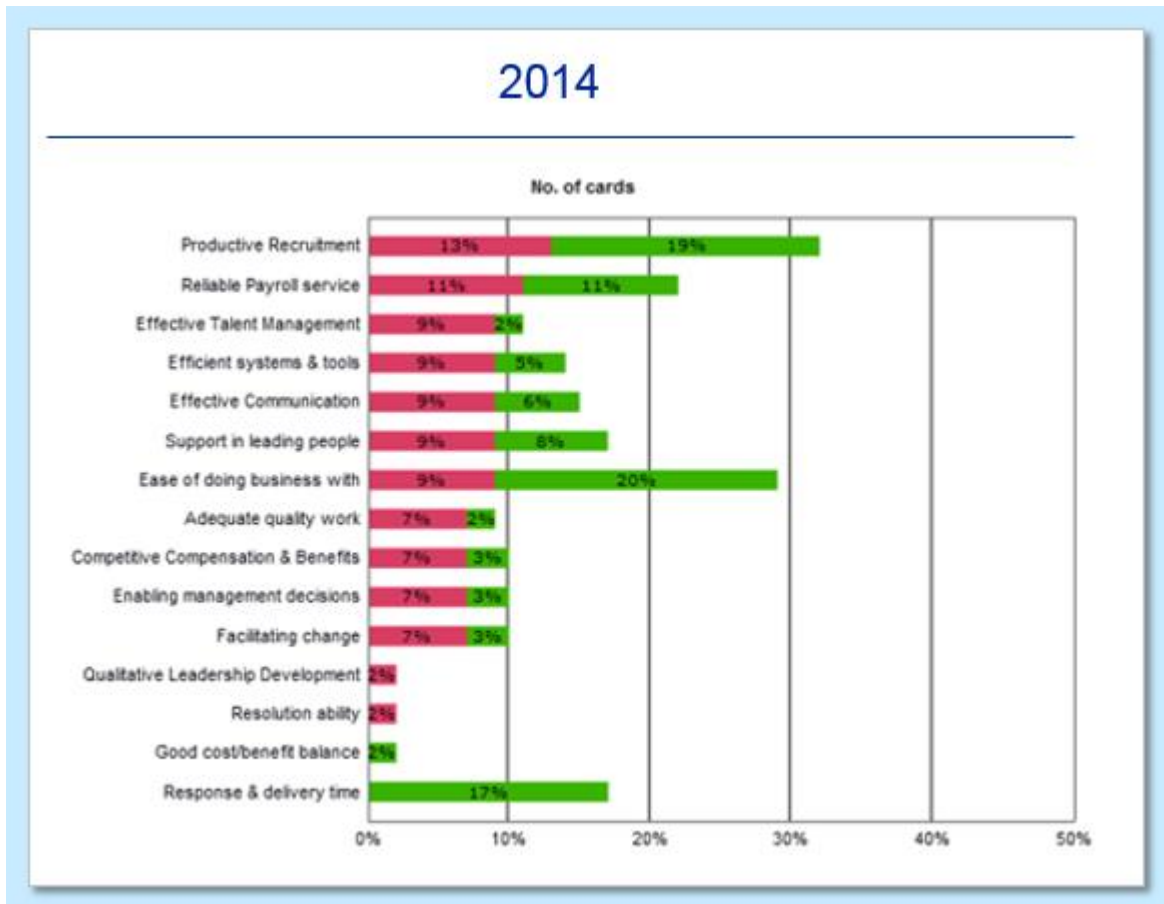


Figure 12

Percentage of red and green cards given in 2014

Source: Composed by Author

2015



Figure 13

Percentage of red and green cards given in 2015

Source: Composed by Author

Appendix 5, HR Competences during years

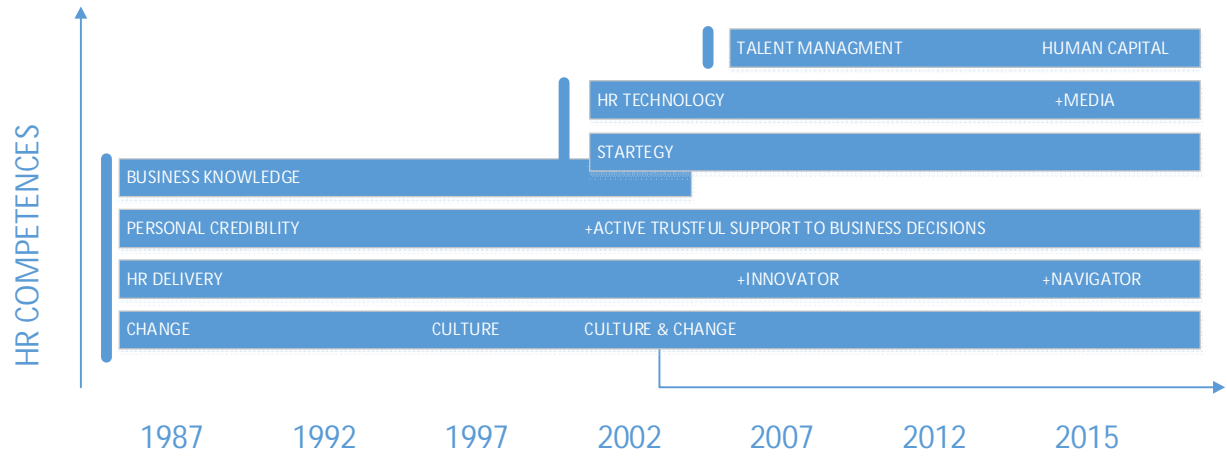


Figure 9

HR Competences during years

Source: Composed by Author