

“Regardless of the business area, it is time to change traditional leadership models, and to make operational models related to competence development quicker and more efficient. Most importantly, mental and physical work ability must be enhanced.”

Juho Seppälä, Business Development Director

– *Value people*

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Brave
Pioneers

Summary

For the purposes of this market survey, dozens of companies and representatives from different lines of business were interviewed. In this study, connections are drawn between technology and current trends in HR functions – rapid change in leadership and knowledge management but also in taking care of work ability. Three practical examples of combining the needs of business operations and people are presented.

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Foreword

Employees are the backbone of strategy

In the past couple of decades, developing customer experience has become a key element in organizational strategy work. At the same time, IT organizations have been transformed from independent outlying territories into integral, structural business functions.

Emphasizing the importance of customers in conducting business has been an appropriate and necessary trend. However, one might reasonably ask whether the role of personnel has been overlooked in strategy work. After all, employees are the ones who influence customers and implement the organization's strategy day in, day out.

The central themes of today's debate on business development are employee experience, skilled and experienced labour, and people. Like IT functions, HR has also experienced a shift towards core business functions.

For the purposes of this market survey, dozens of companies and representatives from different lines of business were interviewed. In this study, connections are drawn between technology and current trends in HR functions – rapid change in leadership and knowledge management but also in taking care of work ability. Three practical examples of combining the needs of business operations and people are presented.

Our first case is Vincit Oyj, a company which has been very successful among IT organizations in selling the idea of replacing traditional middle management with **LaaS (Leadership as a Service)**. Vincit is certainly not the only company that has taken this path as a part of business operations management. For instance, both Siili Solutions Oy and Digia Oyj have steered towards this direction either within their entire business structure or in some of their units.

Our second example is Academy Oy, a company focused on accelerated learning. The hard core of their business is built on developing competence with the emphasis on “coding”. The courage that defines Academy's work is embedded in their service promise: a company will receive a skilled and motivated employee, and the person entering the training programme will secure a permanent job.

Our third case is Heltti Oy, a company which approaches healthcare and well-being at work from a completely new angle. Heltti's organizational culture is tightly woven around the idea that it is much more meaningful to keep people healthy as opposed to healing diagnosed symptoms or sicknesses. The formation of this culture is supported by an organizational structure which somewhat differs from the norm in this business sphere: employees are given the power and responsibility to make decisions very independently.

The role of Zalaris as the service and technology provider in HR business transformation is to act as an advisor for companies, and to propose technological solutions for streamlining HR processes to companies who are experiencing growth and going global.

Regardless of the business area, it is time to change traditional leadership models, and to make operational models related to competence development quicker and more efficient. Most importantly, mental and physical work ability must be enhanced.

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Current HR trends

Employee experience side by side with turnover and profit

Enhancing the employee experience, emphasizing the significance of people and competence, and linking HR functions more closely to the core of business requires a change in organizational culture and attitudes. In most cases, changes must also be made in current IT systems designed to support business processes.

Employee experience leadership and development requires that IT system specifications emphasise the importance of organizational strategy and culture. A company must consider in great detail which purpose the chosen solution would serve. Is it possible to proceed through processes and services “without a single click”?

For example, developing the availability of services provided by managers and making leadership more agile could be boiled down to one single button in a mobile app: “I need help!” A push of this button by an employee would be followed by a contact from the management service, and help would be provided by way of listening and reacting.

In a model such as this, no strict restrictions should be imposed on help requests. Otherwise, the organizational culture will once again shape itself so that rules are given preference. Rules may very well lie in the background, as long as they do not excessively restrict an employee’s use of the management service. This is just an example, but it gives an idea of the direction where leadership should be going.

Another example of reducing unnecessary work phases and administrative work would be handling HR issues with mobile devices. At Zalaris, all employees may individually register their work hours, expenses and periods of absence, and browse their salary information and personnel contact info. This allows working and handling administrative tasks regardless of the time or place. The number of clicks for each process can be reduced by artificial intelligence. For instance, solutions for smart reading of receipts already exist.

How does a manager serve subordinates?

Developing services and leadership requires technology but also a change in the organizational culture and especially in managers’ and leaders’ attitudes.

Would it be possible to measure the success of a manager’s work by using their subordinates’ personal service experience as the indicator?

The requirements of developing the employee experience are demanding. For any service, the benchmarks could be Spotify or Netflix, where usability, user satisfaction and user experience have been taken to the extreme. Employees may also compare the organizational culture and leadership of small start-up companies with large international businesses – and expect the same standards.

The whole idea behind employee experience is enabling quicker decision-making, reducing manual labour, and increasing flexibility in everyday things. This directly affects job satisfaction and an employee’s personal interpretation of organizational culture and leadership.

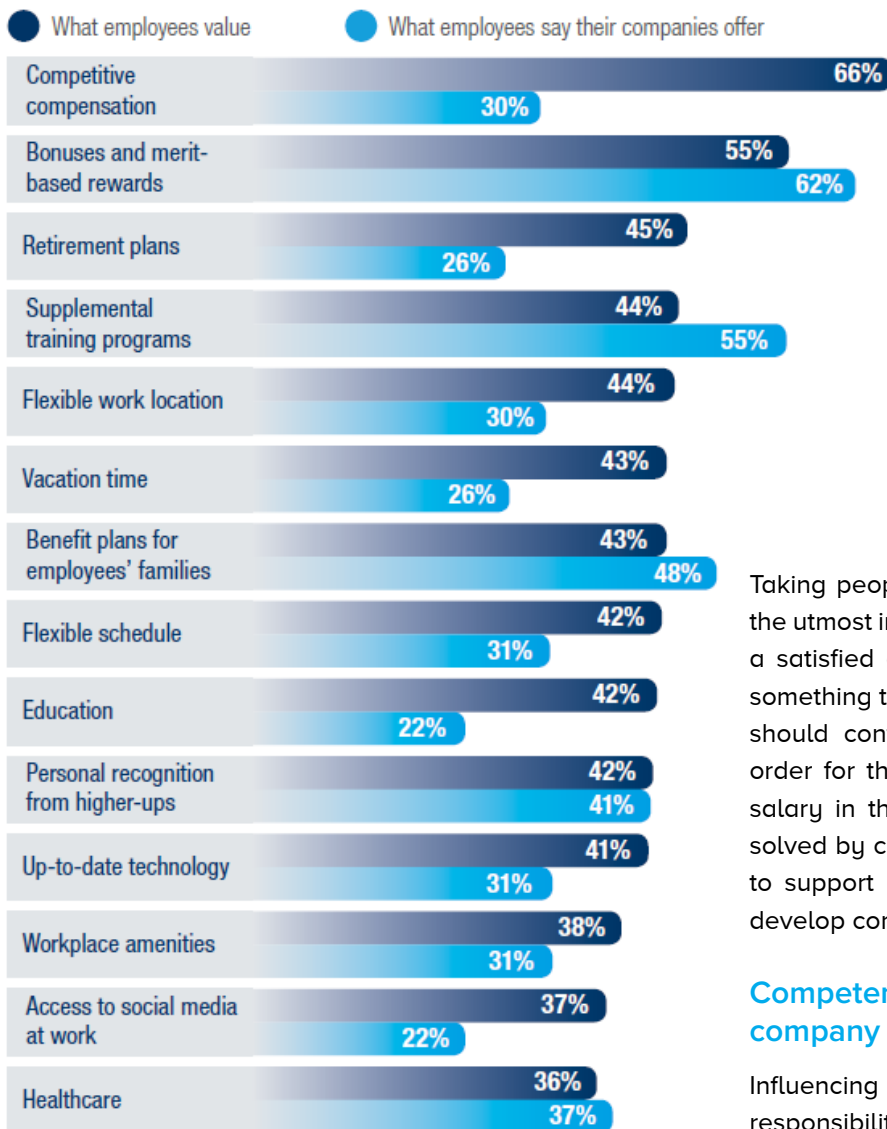
Which aspects of leadership are respected by the future worker?

In the business world, it is unfortunately common for leadership to be diluted and strategy implementation to get stuck in the mud somewhere in the middle layers of the organizational structure. At the same time, the availability and retention of a skilled workforce have become a big organizational challenge. These set new requirements for leadership.

The corporate image and organizational culture must meet the demands that will be respected by the future workforce. In the section “What matters most at work” of the Oxford Economics Workforce 2020 study, 14 individual aspects respected by employees in their work are outlined. The top three are: a competitive salary, incentives based on achievements and goals, and retirement plans. The conclusions were based on a sample of 5 500 employees and decision-makers in 27 countries.

What matters most?

Chart shows share of employees ranking these benefits "important" and "highly important," and share of employees who say their company offers these benefits.



Oxford Economics Workforce 2020: What Matters Most at Work

According to the study, employees feel that their current employer has appropriate incentives based on achievements and goals in place but not a sufficiently competitive salary or adequate retirement plans. From the company's point of view, it is management's responsibility to make these things happen. Struggling amid ever-tougher competition, top management is required to possess a broad set of skills in order to strike a balance between people's needs and purely economic resources.

Taking people's needs into account in strategy work is of the utmost importance, assuming that the company regards a satisfied and motivated workforce as a key asset and something that gives it a competitive edge. Every company should contemplate the conditions that are required in order for them to, for example, be able to offer the best salary in their respective line of business. Could this be solved by changing corporate culture, or by using robotics to support leadership? Could robotics free some time to develop corporate culture and leadership further?

Competence must be developed as a part of company leadership

Influencing the employee experience is not just HR's responsibility – it involves the whole company management. This is because, at this time of machines and artificial intelligence, competent people are becoming one of the most important competitive factors of any company.

In a rapidly changing business environment, organizations must be able to manage the competence possessed by the workforce. Competence must be managed, because it is the only way to make sure that the company can retain people in their workforce that are able to implement the chosen strategy.

Nowadays, one leadership challenge is to find the appropriate, motivated and skilled people for each individual task. Organizations need mental and cultural change in order to provide their employees with the opportunity to talk about their own expectations regarding their responsibilities.

Employees must be able to speak openly about their own career path goals while recognizing the positions that the organization is able to offer. This requires competence management so that the organization is able to identify and allocate specific tasks to specific people.

From HR's point of view, employees' expectations provide interesting data. From this perspective, it would be useful to know, for example, the most and least popular job titles. This is a way of identifying competence-related bottlenecks – as well as potential leaders.

Organizations require an open culture regarding each job description. It increases the respect given to various jobs and it helps people to plan their own career paths. Corporate strategy implementation will be more likely to succeed when it is understood what the personnel want to do.

It is good for the company management to know whether there are enough motivated people within the organization to do the things that strategy implementation requires. Furthermore, combining employee and customer data enables the use of leadership tools which can be utilized to affect both the employee and customer experiences.

Technology is making the employee experience better

Zalaris responds to the current rise in the importance of employee experience from the viewpoint of strategic and operational HR. It simplifies the everyday operations of international organizations by making local top-level competence a part of the multinational operational environment. At Zalaris, “local” means that we are growing with our customers, also geographically. For instance, we opened an office in Ireland in early 2018, when a company called CircleK needed a local touch and local services within the target country.

As regards strategic HR, Zalaris acts as a development and service partner in recruitment, orientation and learning processes. Furthermore, we offer solutions for managing people's employment data, competence and goals, as well as analytics based on personnel data. As regards opera-

tional HR, Zalaris is well-known for their international, consistent payroll management platform which makes it possible to enhance the employee experience, all the way from the mobile user experience to a printed payslip.

Services provided by Zalaris are based on SAP Success Factors & HCM technology. It eases and enhances the company's ability to lead and develop its own workforce in the desired direction – with the desired efficiency.

SAP architect **Esa Mäkelä** describes the SAP Success Factors capabilities from the leadership point of view as follows: “By design, Success Factors is fully transparent. It means that all information it contains can be brought in to support leadership by utilizing, for example, ten different people-related properties, and by picking the people best fit for the available tasks based on their individual features.”

Traditionally, transparency in ERP systems has been present in production line or stock management, for instance. However, services provided by Zalaris bring employee experience to the equation. The benefits and support are especially apparent in an international setting. As a part of the solution and provided service, one must take into account a country's development, other special features, and its legislation. For example, there are differences between countries regarding personal information that may be collected and used.

There are other examples of utilizing technology as a part of developing employee experience. As a part of their information system portfolio, Tieto has introduced a people-centred, digital “Emphatic Building” service. It focuses on increasing employee well-being, happiness, and individual performance by solving problems related to business premises used by the personnel. With the help of this service, one can quickly and effortlessly check where a free working space can be found, whether the meeting room is available, or what the day's lunch at the cafeteria is.

Employees have more time and opportunities for interaction and collaboration when technology automates work-related communications and administrative tasks. Therefore, Emphatic Building is a prime example of harnessing technology to support leadership and everyday life.

Case – Vincit Oyj

VINCIT

Can leadership transform into a service for the employees?

Vincit Oyj is an expert in software development. The company is modernizing leadership by utilizing the LaaS (Leadership as a Service) model. This entails an entire management philosophy as well as a web service to support it. They help people manage themselves better, and enable organizations to reach their strategic goals more efficiently. How does LaaS change the way people are managed?

In the LaaS model, leadership is seen as a service in which the employees are regarded as customers.

“Just as a company has customers who are offered products and services, leadership has consumers too: the employees,” says **Vincit’s CEO and founder Mikko Kuitunen**.

Kuitunen compares the impact of LaaS on leadership to a scenario where products are no longer produced on the production plant’s terms alone, but by responding to individual wishes and expectations.

The goal for leadership based on the LaaS model is a status quo where employees are able to express their needs as individuals to the employer, and receive answers to their questions as well as support and help in their challenges. Positive experiences will encourage people to recommend LaaS leadership to their colleagues, neighbours and friends – just like any other service.

Service requests from employees to managers via a web service

To support their leadership philosophy, Vincit has developed the web-based Vincit LaaS service, which serves both employees and top management. Initially, the LaaS tool was developed solely for internal use for the company, which currently employs around 400 people. More recently, Vincit LaaS and its whole new people management model have been marketed to other organizations. Some pilot projects are already underway.

“An employee is able to send a service request assigned to their superior by using a web service, regardless of the time or place. People working at management services will start processing the request when it arrives, to provide the employee with the service that matches the need,” Kuitunen explains.

He gives a couple of examples of the independent management method used in LaaS, i.e. the kind of requests that employees can send, and the way that management is able to react.

“This coming Friday I will participate in an informal event because the employees have entered a service request using the category ‘challenge the management’. So, this event is to be held at the request of our employees, involving them and top management, and the purpose is to provide an opportunity to present direct questions. Another example of a service request would be the ‘elevator pitch’. It applies directly to sales, and its purpose is to train and develop what are called elevator speeches.”

What kind of value does LaaS offer?

Mikko Kuitunen emphasizes that LaaS is not meant to be HR’s responsibility alone.

“Laas is an integral part of business which ultimately aims to provide a customer-oriented service which will in turn lead the company to success. We do not want our leadership model based on serving employees to sound like something drawn up at a hippie camp,” he states.

Could LaaS be a solution, a kind of a bridge between good leadership and well-being at work?

“When an organization’s leadership and workforce well-being are surveyed, the management makes it very clear that these things are the very core of the business. This is receiving more emphasis than ever before. Yet, at the same time, employees will say that the job feels more onerous than before. I believe we are talking about a leadership deficit here: a mismatch between the leadership provided and the leadership experienced.”

Kuitunen mentions the work of Gary Hamel's team at Harvard University. In 2016, they published a research paper about US companies' leadership services which offer no value at all. In the study, the annual cost of these unproductive leadership services was estimated at 3 trillion dollars, which is the equivalent of 17 % of the United States GDP.

"This is because of leadership that ignores workforce diversity. No effort can be targeted properly if all employees must be managed in the same way, regardless of the scope of each individual's work or responsibilities," Kuitunen points out.

"The LaaS model will make people learn how to manage themselves. In this way, a smaller effort will bring the same results, or a similar effort will produce better results compared to traditional leadership. It is not required or even possible to handle employees as a homogenous mass after each of them has learned how to manage themselves. At the same time, the organization must permit and allow people to be treated as individuals with different needs."

LaaS means a big shift in leadership

Kuitunen says that nothing – like customer or employee satisfaction – is actually measured in their company.

"We do not follow any trend data. Instead, we observe today's situation, and assess possible future threats. This is made possible by the fact that we work transparently. Every day we see where we are going. We talk things over, aiming for a better tomorrow every day."

How about the employees' opinions of the LaaS model?

According to Kuitunen, LaaS leadership did not generate any counter-reaction among Vincit staff.

"Have we adopted the model 100 percent? No, we haven't. The model must go through iterations to become fully functionalized. This is not a one-time thing. Instead, we are talking about a permanent, radical change in leadership."

"Where we have introduced the LaaS model in universities, cities and factories, it has been a revolution instead of evolution. Organizations have encountered the friction that is traditionally present in management of change, both among the users – the employees – as well as among the service-providing organization – the management."

Leadership as an individual service – Vincit LaaS

- A leadership philosophy that considers every employee as an individual.
- Based on this concept, the web-based Vincit LaaS service was created. It focuses on individual needs and achieving results.
- Vincit LaaS is a human resources management platform which helps the company management and HR focus on the right things.
- Vincit LaaS helps the employee to plan their own actions and manage their time, keep track of their energy levels and ensure that their work has goals.



Image from 'vincit.fi'

Case – Academy Finland Oy

Accelerated learning – become a coder in 12 weeks

Regardless of the line of business, digitalization has made almost every company dependent on information technology. IT has become an integral part of many organizations' business. That is why a need for even more workers with coding skills exists.

Academic Work's intensive training programmes are offered by their sister company Academy Finland Oy. They promise to do their share in bridging the gap between the supply and demand of skilled labour in the IT industry by giving people a coder's training in 12 weeks. How do they keep this promise?

"From our own research, we found an 'accelerated learning' model from the United States. It aims at a very quick and intensive learning process. They have estimated that 12 weeks is the optimum time to learn new things. It is long enough to provide information to students, but on the other hand, it is short enough to prevent participants from burning out during their studies and dropping out," **Academy's CEO Jukka Pulkkinen** explains.

In brief, Academy intends to nurture software experts rapidly.

"In the training we strive for quality as well. It means that the people who are given a place in our programme have both the will and motivation for software development and actual coding work. We create a path leading to a new career as a coder or IT expert for people who would not be interested in a training programme lasting several years."

Academy emphasizes cognitive skills in their application process. Logical thinking and numeric and verbal skills must exceed certain limits for a person to proceed further in the application process. After testing the applicant's abilities, their motivation is confirmed by interviews.

"Personality and motivation evaluations are also completed to support the evaluation of each person's suitability to enter the programme," Pulkkinen says.

Over 4 000 people applied for Academy's first training programme, which started in autumn 2017. The tests were passed by 15 percent of applicants, and 400 of them

applied for the actual program. After a screening process, the 20 most motivated people were chosen.

The instructors, on the other hand, are chosen individually for each training programme in order to offer the best possible expertise.

"Academy does not employ the instructors, it is done through our partners. They are trained to follow 'The Academy Way', a pedagogical model outlined by Academy. This means that they receive a set of tools for teaching by the accelerated learning model, so that efficient learning is ensured," Pulkkinen explains.

"We seek technically talented teachers. They should have one foot in the business world, and a genuine interest in pedagogical aspects as well."

Practical exercises instead of lectures

The foundation of the accelerated learning model is that the best way to learn is by doing, not by listening to long lectures. The teachers give a briefing on a topic for a maximum of 10–15 minutes, and then the students get to work.

"We have calculated that during the 12-week period, students are coding for over 500 hours. We went to Stockholm and interviewed staff at the Royal Institute of Technology. It became apparent that IT students there take 3-4 years to perform the equivalent amount of coding," Pulkkinen points out.

Before the actual 12 weeks of training starts, the participants take a preparatory remote course lasting three to four weeks. During the programme itself, the students take a mandatory technical test every Friday, which they must pass. If they don't, they receive extracurricular exercises for the weekend, and the test must be taken again on Monday. This ensures that the thematic content is both learned and digested. The training programme ends with a final project which is done in small groups. At this point skills gained from the programme are applied in practice.

Training leads to employment

The 12-week course offered by Academy is free of charge for the student. This is no bargain-basement deal however: if the course participants had to pay everything, the cost would be around 15 000 euros. This would be an unusually high price for education in Finland.

“We decided that no one should be allowed to buy their way into this programme. Because we provide our training free of charge, we want to screen and scrutinize our applicants closely. In this way we ensure that entrants are genuinely willing to receive a new set of skills, and thereby able to find a new career path for themselves,” Pulkkinen says.

In addition, Academy’s service comes with a promise of a steady job. Academic Work employs each person and commits to finding a position for them among Academy’s own client firms.

“This is an entirely unique service promise. There is nothing like it in the whole world.”

Pulkkinen says it is proof of Academy’s own belief in its

concept. “In part our belief is so strong because we know our customers’ needs in great detail. The feedback we have received shows that there is a demand for this kind of concept.”

“After all, there are many occupations where degrees and diplomas have zero significance. What matters is what you can do.”

Accelerated Learning program

- Contains fast-paced practical learning, teamwork as well as constant dialogue and feedback.
- Begins with a thorough recruitment process.
- Implemented by using a full-time “bootcamp” format, typically within a period of three intensive months.
- Answers companies’ needs by training the kind of skills that are missing from Finland’s employment market.
- In 2016, over 20 000 software developers graduated from Accelerated Learning or Bootcamp training programmes.

Image from 'academy.fi'



Case – Heltti Oy



Occupational health reformer offers partnership for brainworkers

Dust, noise, vibration, chemicals. These were the central themes when occupational health services were born for the mining industry's needs. Today, the health and well-being of knowledge workers are being undermined by inconveniences of a different kind.

Heltti Oy has taken a bold and broad-minded start in offering occupational health services based on an entirely new business model. This company was founded in 2013, and they offer a combined health and well-being service especially for brainworkers in small and growing companies. This is based on a very approachable corporate culture.

“Healthcare services have been offered in exactly the same way for 100 years. From the clients’ perspective, big companies have been identical apart from the logo on the wall,” says **Timo Lappi, Heltti’s CEO**.

“We started thinking how occupational health services would look like if they were done more joyfully and youthfully, and if some of the old structures and hierarchies were given a good dusting. We surveyed clients’ opinions by conducting interviews. We listened a lot and talked a little. This is how we found a new kind of business model.”

Lappi points out that as a new and small company, they need to focus on something where they can truly shine.

.....
“No other occupational health provider focuses on knowledge workers. This is why I dare to say that we are the best in Finland in this customer segment.”
.....

Brain ergonomics to support well-being

In today’s work environment, essential things affecting an employee’s well-being are managing the work-related information overflow, focusing on the job, ergonomics, and fitting work and leisure time together.

“We talk about brain ergonomics,” says **Anni Rouvinen, one of the occupational health reformers from Heltti**.

“At the moment, there are more psychologists than doctors working at Heltti. It is mostly mental well-being where brain-

workers need help. Key themes are finding ways to support work skills, recovery from work and stress management.”

At Heltti it does not matter whether an expert is a doctor, psychologist, nurse, or physiotherapist. There are no uniforms, and all professionals are placed in shared teams to serve the customers.

“We provide healthcare and well-being services from a completely new perspective. We believe that our operational culture is our biggest asset compared with the other service providers in this field. Our culture is difficult to copy,” Lappi claims.

“The recruitment process of our own experts is based on our values. For instance, in order for our physicians to fit into our culture, we expect them to express kindness, positive glow and vigour, and to have just the right amount of guts,” Rouvinen states, casually listing Heltti’s values at the same time.

To assist in building Heltti’s organizational culture, customers have been co-opted by carefully profiling the target group of customers and the way they operate. Based on this profiling, Heltti’s services have been adapted to be optimal for customers.

A ball pool organization serves the best interest of customers

From its foundation until autumn 2017, Heltti generally followed the usual conventions.

“By the time we had 40 employees, we had to figure out our own way of operating and making decisions. The essential thing for us was to find a way to retain the small-company atmosphere despite our growth,” Lappi says.

As a result of this process, Heltti has a ‘ball pool’ organizational structure. There are four self-controlling customer teams with no supervisors or managers. In a self-controlling organization, anyone is able to make any decision related to their work tasks after discussing it with experts in the matter, and with those who are affected by it. When making the decision, advice must be taken into account, but not necessarily followed.

Healthcare becomes more and more proactive

People at Heltti have noticed that the large operators in the healthcare business have also woken up and registered the change that knowledge workers' well-being requires, and on the other hand, the public's expectations regarding healthcare services.

"New digital and well-being services have emerged in the market. However, they can be rather artificial, unless the core of operations changes as well. Furthermore, insurance companies are entering the healthcare and well-being business with a strong presence," Rouvinen says.

At Heltti, the development of their sector shows in growing demand for additional services. HR Coach and Office Psychologist are examples.

"We expect services based on well-being data to become more common, and this will manifest itself as a variety of proactive services," Lappi predicts.

"One example of this development would be quick and low-threshold contact services, handled via chat-type conversations. Using these we can catch some possible problems, such as sleep deprivation, much earlier than before, and thereby offer an appropriate service," Rouvinen adds.

What about Heltti's own future visions?

"We have started off by working with knowledge workers and small companies, but we are gaining interest among bigger organizations as well. Our officially stated goal is to positively affect half a million people's health, and to have 100 000 subscribers," Lappi states.

"Moreover, we are taking the internationalization path along with our current customers. We believe in Finnish healthcare, and we believe we can make an export product out of it. Finnish healthcare services are seen in a positive light around the world, and we have a unique concept – so why not?"

Heltti Oy

- Business model is based on proactive healthcare. The company's service portfolio also includes medical care at general practice level.
- Services have been organized as health teams.
- 76 % of health-related contacts can be handled remotely.
- 95 % of customers are knowledge and IT workers.
- Located in Helsinki, Espoo, Tampere, and Oulu.



Participants

Market survey design, implementation and company interviews:

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Seppälä has worked as a consultant, sales professional as well in management level positions in service development, account management and running various business operations.



Editing

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