

# Nokia

Business, Human Resources



## 1. 0 Introduction

Global competitiveness seems to be the biggest challenge that most businesses and organisations are facing in the field of management nowadays. Emphasis today is more on strategic human resource management. Success is most likely if personnel policies and procedures are in line with corporate objectives.

The aim of Human Resource Management is “ to ensure that the organization is able to achieve success through people.” (Armstrong, 2001: 4). According to Lamb and McKee (2005: 8), “ Everyone, individuals and the organisation, will get the most from an enterprise when all commit as much human and hard capital to the endeavour as they can.... Satisfied employees care more about customer satisfaction, cooperate more with each other, and apply more effort.”

HRM practices have fully integrated Nokia’s concept to attract and retain good employees. The strategic approach to talent management has been inevitably a crucial aspect that made Nokia to be one of the leaders in the mobile and telecommunications industry.

## 1. 1 HRM Practices

According to Noe et al (2008: 9) strategic Human Resource Management can be thought of as “ the pattern of planned human resource deployments and activities to enable an organisation to achieve its goals”. HRM practices include recruitment and selection, training and development, performance appraisal and feedback, compensation and employee relations.

Nokia Human Resource practices are in constant alignment with the business goals. The company's recruitment strategy is not based only on skills and knowledge of postulants but diversity management and the inclusion of minorities are also key issues.

Nokia organised its training and development of its employees through the intranet. This enabled the company to be more efficient in production and to gain a competitive edge. The company believes that each employee should be given the opportunity to develop to the maximum of his or her potential through training and development.

Performance Management is the systematic process of: planning work and setting expectations, continually monitoring performance, developing the capacity to perform and rewarding good performance. Nokia organises regular feedback sessions and also regular employee surveys.

## 1. 2 Employees attraction

When it comes to identifying and attracting potential employees for a particular job or position, some organisations prefer to look internally first. This also offers wonderful opportunities for the current staff in career development.

Good employees are attracted by advantageous aspects other than strictly compensation. Denton (1999) says " Today, they're looking for a career package, including a comfortable company culture, career path, diversity of responsibilities, and a work/life balance. That balance is becoming

increasingly more popular. A company can give it all to an employee, but they still want to have a life to spend time with their spouses and kids.

A company who became a leader in its field and its reputation are other factors that attract people to work for that company. Nokia allows flexible working arrangement in line with employees' interests and preferences. Tele working, mobile working, flexible working hours, study leaves is key HR practices that attract employees.

### 1. 3 Employees retention

It is important for organizations to retain their employees as it improves company reputation and reduces turnover of critical employees. It also keeps competitors away from stealing the workers. By retaining good employees, productivity is increased and knowledge stays within the company.

In order to retain the best people, organizations and businesses need to include employees in the company's vision. The vision has to be communicated to employees and they must know how their work fits into the big picture of the organization and its goals. It is then that the employees will be motivated.

There is also the need to measure and reward strong performers. To allow the strongest performers to stay in the organisation, they must be rewarded and promoted or else competitors might attract them. Nokia is mainly focussed on two aspects: financial compensation in terms of high salaries, bonuses and compensation in terms of variety of possibilities to create personal work-life balance.

## 1. 4 Strategic approaches

There is no doubt that whichever strategy is adopted, this will impact on the HR practices. The different strategies are; overall cost leadership, differentiation, concentration strategies, internal growth strategies, mergers and acquisitions and downsizing.

Nokia has also witnessed different strategies which started with a merger of three businesses in 1967. Then, a major crisis in the 1970s and 1980s forced the company to revise their business activities. The company went through another transition in the 1990s to become a global player in telecommunications. However, Nokia also had to adopt a downsizing strategy in the spring of 2003.

## 1. 5 Talent management

Talent management is the use of an integrated set of activities to ensure that the organisation attracts, retains, motivates and develops the talented people it needs now and in the future. The aim is to secure the flow of talent, bearing in mind that talent is a major corporate resource (Armstrong, 2006: 390).

Major functions of Human Resources and Talent Management are; getting the best employees, paying employees, training employees, ensuring compliance to regulations, ensuring fair, safe and equitable work environments, sustaining high-performing employees and non-profit human resources. (Internet, retrieved 22. 03. 11)

## 1. 6 Conclusion

The human resource is the only one that competitors cannot copy and is the only one that can synergize; that is produce output whose value is greater than the sum of its parts. The importance attached to Human Resource Management is also a reflection of the competitiveness of the environment in which an organisation operates.