

SHARPEN presentation LITHUANIA 2017

Aim of the presentation – to introduce Klaipeda region labour force situation and 4 SME's HRM case studies.

SHARPEN HRM4smes Klaipėda region in Europe



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Klaipėda city

- **Area** – 98 km² (1.9 % of the county's area);
- **Population** – 184 657 (48.7 % of the county's population);
- Klaipėda city is a county and municipal centre and ranks third in Lithuania in terms of its size. It is the only seaport in Lithuania and the port farthest to the north at the eastern coast of the Baltic Sea that does not freeze in winter.

Age structure of the population

- **Average age:** 43,4 years (EU 42,4 years)
- **Age index:** 130,1 seniors per 100 children
- **Economic burden index:** 34,4 children and seniors per 100 persons

Age groups

Age group	Lithuania (2016)	European Union
0-14	14,93% (426 096)	15,5%
15-24	11,55% (329 777)	11%
25-54	40,36% (1 152 021)	41,9%
54-64	13,73% (391 942)	12,8%
65 and over	19,42% (554 399)	18,8%

Source: Eurostat and the Lithuanian Department of Statistics

Structure of the labour force

	2016	Men	Women
All by profession groups	1 358,4	661,1	697,3
Leaders	122,0	79,1	42,9
Specialists	318,0	92,3	225,7
Technics and younger specialists	132,3	51,4	80,9
Employees	61,0	11,9	49,1
Service sector workers and salesmen	186,4	47,6	138,8
Qualified agricultural, forestry and fishery employees	69,2	42,8	26,5
Qualified employees and craftspeople	189,2	150,0	39,3
Gears and machinery operators and assemblers	152,9	125,6	27,4
Unqualified workers	124,6	57,9	66,8
Armed forces professions	2,6	2,6	No information

Migration trends



	Immigrants					Emigrants					Neto migration				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
Lithuania Republic	79 896	79 254	85 709	83 556	88 734	101 153	96 061	98 036	105 959	118 905	-21 257	-16 807	-12 327	-22 403	-30 171
Klaipėda city municipality	3 864	4 322	4 416	4 225	4 253	5 296	5 275	5 433	5 867	6 965	-1 432	-953	-1 017	-1 642	-2 712
Klaipėda district municipality	2 112	2 303	2 820	2 796	3 698	1 835	1 832	2 086	2 182	2 517	277	471	734	614	1 181

Source: the Lithuanian Department of Statistics

Structure of Business



	Quantity of companies
Accommodation services	521
Information technology and communications	170
Financial and insurance	73
Professional, scientific and technical activity	849
Education	393
Agroculture, forestry and forestry	244
Manufacturing	959
Construction	1026

Source: Eurostat and the Lithuanian Department of Statistics

Number and structure of the SMEs

	Employees	SMEs number unit
Total employees	886103	82671
0–9 employees	193412	67667
10–19 employees	102265	7724
20–49 employees	138849	4598
50–249 employees	224828	2335
250 and more employees	226749	347

Source: Eurostat and the Lithuanian Department of Statistics

Industrial structure

Years	Incorporated companies	Active companies	Percentage compared with active and incorporated companies
2014 m	24037	10543	43,9%
2015 m.	24525	10529	42,9%
2016 m.	24742	11141	45%

Source: Eurostat and the Lithuanian Department of Statistics

1st case study – ARARAT All Suites Hotel

- The four star hotel „ARARAT All Suites Hotel“ opened in 2008.
- Cozy authentic interior design will allow you to feel the true spirit of Armenian hospitality.
- The room occupancy rate was on average 80%.
- As is the norm with such small hotels, the administration of its Human Resource Management functions is not as clear cut, and centralized, as with larger hotels.

ARARAT All Suites Hotel

- It was observed that there is a lack of written job description provided candidates, where instead they are expressed verbally in person during the interview. Employees as a result are not completely clear with what is expected of them, and are often overwhelmed when they start working.
- In analysing the Rewarding/Motivating Employees issue, it is observed that employees at the ARARAT All Suites Hotel desire a more effective reward system, more specifically in relation to recognition and appreciation.

ARARAT All Suites Hotel

- There is no HR manager and that position could help in managing employee shifts, hiring, retaining staff, and any other HR issues that may become apparent in the organization at any time.
- Talent testing during the recruitment and selection process could help top management understand how potential employees will perform on the job.
- It was observed that the owner has the final say on any hiring decisions made.

ARARAT All Suites Hotel Recommendations

1. The small hotel does not need a substantial HRM system as a large hotel would do but there is a requirement to take care with staff selection and training to ensure that quality standards are maintained.
2. Small hotels should do research on the tourist market to study tourists' behaviour, since there is a tendency for tourists to be more individualistic and to seek new experiences.
3. Should be organized monthly staff meetings. To increase communication from ownership down through line staff.
4. Placement of an anonymous suggestion box – to further increase communication. Employees may be more open to voicing concerns if they may be allowed to do this anonymously.

2nd case study – Green Park Hotel Klaipėda

- Green Park Hotel Klaipėda is one of the most popular hotels in the region. It is located near the New Ferry Terminal for pedestrians and cars, main streets, shopping centers and not far away from the city center. This hotel is very attractive for foreign tourists and business people.

Green Park Hotel Klaipėda

Challenge #1: Hiring Right

Though with the current state of unemployment, frontline workers should be easier to a recruit, it is vital that you make sure of a few key elements. First, you need to make sure that they are a good "fit" for the job itself. Their temperament must be well suited for the particular position. You want to make certain you are not hiring someone with unaddressed addictions.

Solution: Hire Right the First Time!

Take the time to do it right the first time-this includes investing in a good assessment program, so that you really get to see what's going on behind the frontface.

Hotels HRM assessment is PeopleClues. Based on "the Big Five", PeopleClues offers a number of benefits not found in other assessments. The Big Five are openness, conscientiousness, extroversion, agreeableness, and neuroticism.

Green Park Hotel Klaipėda

Challenge #2: Bonding During the Onboarding Process

- Onboarding is your opportunity to really connect with the prospect, then candidate, then hopefully employee. Onboarding begins with their first contact with you. Handle it correctly and you will probably have a happy, loyal employee. Handle it poorly and you will probably have a short-term employee who will be looking for other opportunities.

Green Park Hotel Klaipėda

Challenge #3: Engaging your Long-tenured Employees

Employees who have been with you for a while are more valuable: they are acclimated to your culture; they know how to get things done, and usually have strong internal and external relationships that benefit your company. It behooves you to insure that they are relatively happy and that there are no major dissatisfies that you could handle quickly and easily.

Solution: Conduct "stay interviews"

Questions to ask: level of satisfaction; the employee's career goals; expectations; understanding of the company's vision; how the employee can contribute to achievement of the company's mission and vision; employee's level of performance and productivity; etc.

Solution: Ask people how you might help them do their jobs better?

Green Park Hotel Klaipėda

Challenge #4: Retention of your Valued Employees

Retaining your valuable employees is going to become a critical challenge.

Solutions that won't cost a lot...

Supervisors and managers should be well trained to coach and develop your front-line people. Teach them how to coach their people to higher performance.

Every employee (down to the front line) should have an Individual Development Plan (IDP), administered by the direct supervisor.

- Insure that employee feel valued and find out what's going on with them personally and professionally.
- Reward managers for developing and retaining their people.

Green Park Hotel Klaipėda

Challenge #5: Succession Planning, Future-proofing your Organization

Make sure that you have the people you will need going forward, to be profitable in the future—when the inevitable happens and someone leaves or passes away. Look at your entire staff and start with a needs assessment: who are you going to need in the future, one-year, three-years, and five-years out. Make no promises that you do not know for sure you can keep.

3rd case study – Hotel Amberton Green Apartments

Amberton Green Apartments hotel which is located in Palanga, Lithuania. Amberton Green is a hotel company and a subsidiary of Amberton hotels Group. Amberton hotels are located in four places in Lithuania. The first Amberton hotel was built in 2002. Amberton hotels are located in the city centers: capital Vilnius, Kaunas, Klaipeda and Palanga.

Hotel Amberton Green Apartments

- The level of service quality depends on the qualities of employees.
- The qualities are about knowledge, skills and thoughts which lead to a hotel's survival and development.
- Employers must provide employees with the tools necessary for their success.
- Professional development opportunities are for employees looking for promotional opportunities
- Appropriate and skilled employees should be compensated properly, since low salaries and benefits do not attract the best qualified staff.
- A system of evaluation has to be created, so that its weaknesses and the problems of application are found, its continuous improvement is ensured and the complete acceptance of workers in hotel units is gained.

Hotel Amberton Green Apartments

- Hotel do not use head hunting and employ those, who apply to vacancies and are meeting main requirements that usually are – pleasant appearance, some experience in services, skills and willingness to work.
- The training system is general in all chain of Amberton Hotels. The problem is often staff change. That's why main training is for introducing hotels requirements for services but not knowledge deepening.
- The Hotel Amberton Green Apartments is relatively small and situated in Palanga, which is resort about 25km from Klaipeda and depend on seasons. The specialty of this hotel should make en effect towards HRM.

Hotel Amberton Green Apartments

- The interview with Hotel Amberton Green Apartments employees showed that the chain have requirements for staff but its not specialized for different regions. The only that differs is salary. Workers see that as discrimination and lack of motivation.
- Hotel Amberton Green Apartments is relatively small and the staff have limited career opportunities. This is the reason why there is less motivation between staff in this hotel and HR managers of Amberton chain should think of this specific problem.

4th case study – CJSC „Valmedis“

“Valmedis” is a small family business, started in 1996. Since the start of its’ business, companies’ main branch is veneered products (windowsills, stairs, panels) and veneered doors production. There is an ability to make product standard or non - standard, it depends on customers’ needs and orders.

CJSC „Valmedis“

CJSC “Valmedis” is SME and as family business is mostly employing staff that is known either related to owners, the only requirement is understanding of the work place speciality. This employment system does not allow to chose the best work force in the are or in general labour market, it just fill the vacancy and company have a challenge to get maximum employees performance.

CJSC „Valmedis“

This company should try to achieve 3 specific challenges to reach the best results with their production:

- **Change management.** Change management represents a particular challenge for personnel management.
- **Leadership development.** HR professionals are faced with being expected to provide the essential structures, processes, tools, and points of view to make the best selection and develop the future leaders of the organization.
- **Human resource effectiveness measurement.** How can improvement happen without the right tools to measure human resource effectiveness? Going beyond measuring turnover, this new approach considers 'bad' turnover and 'good' turnover along with the overall cost of replacement hires.

Conclusions

- Human Resource Management should be seen as a strategic function of an organization. It helps to build a competitive edge for an organization by positively engaging its employees.
- Key ingredients of effective Human Resource Management are having in place an appropriate leadership style and effective two-way communications with employees. This creates an open and honest environment where employees feel that their ideas are being listened to and that they can make a contribution to decision making. Engaged employees are more likely to be proud to work for their organization and therefore will believe in and live out the values of the organization.