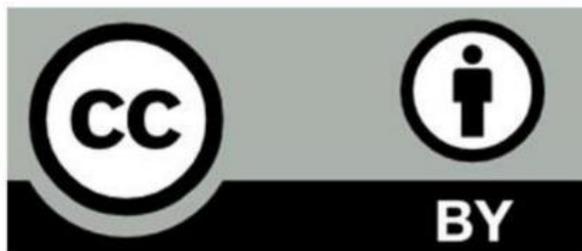


## Results Work Package 4

### Workplace Innovations further training programme

# Result 4.4: Workplace Innovation Projects

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## Languages

English

## Content

<b>1. Summary and Introduction</b> .....	3
<b>2. Development projects carried out in companies as part of the training A “Employees on the way to Co-entrepreneurs”</b> .....	4
2.1 Company: carpentry industry, 160 employees .....	4
2.2 Company: automotive branch, 20 employees .....	4
2.3 Company: meat industry, 50 employees .....	5
<b>3. Development project carried out in companies as part of the training B “Digitization and Human Capital”</b> .....	6
<b>4. Development projects carried out in companies as part of the training C “Innovation Processes”</b> .....	7
4.1 Company: Forest management, 17 employees .....	7
4.2 Company: Latvian Environment, Geology and Meteorology Center, 290 employees ....	7
4.3 Company: Sanne group, 100 employees .....	8
4.4 Company Primum Ltd., 16 employees .....	8
4.5 Company: Augstsprieguma tikls, AS, 200 employees .....	9

## 1. Summary and Introduction

For SMEs in the Baltic Sea Region to remain competitive in the long term, it is necessary to increase their innovation capacity and reduce the gap between qualification requirements and demands. For this reason, the Knowledge Alliance "Human Resources and Organizational Development", consisting of eleven partners from four countries, relies on increased cooperation between universities and companies in order to realize education and innovation promotion. To reach as many SMEs as possible, chambers strengthen the partnership between universities and companies.

Human capital is the most important resource for strengthening innovation and productivity. Hence, the project focuses on the comprehensive promotion of Workplace Innovations. While there is great need for further development in this area in the countries south of the Baltic Sea, Workplace Innovations are already more advanced in the Scandinavian countries. Therefore, the project involves countries from both regions.

The alliance, which will be extended to 68 partners from 13 countries and permanently continued, focuses on cooperation in two areas. First, the development, testing, and implementation of SME-specific methods, instruments, and projects through R&D work at universities, that create workplace innovations in areas such as employee recruitment, motivation and digitization, a more innovative working environment and more efficient use of human capital. Second, the strengthening of awareness and competences in this new area of innovation promotion for small and medium-sized enterprises in the Baltic Sea Region through qualifications. The project will develop and implement:

- a) three comprehensive continuing education programs: "Digitization & Human Capital", "Employees on the way to Co-entrepreneurs" and "Innovation Processes".
- b) a dual bachelor's degree course: "Human Resources and Business Administration".

All products and further results will be transferred to 68 actors from 13 countries.

The work to develop the output of Work Package 4 "Further vocational Trainings" was carried out entirely as planned in the project application. Three different training courses were developed, tested, evaluated and implemented:

- Training A Employees on the way to Co-entrepreneurs
- Training B Digitization and Human Capital
- Training C Innovation Process

The development and implementation of the three trainings is based on the KAIN method. Within the framework of the KAIN method, specific HR development projects are implemented simultaneously in the companies during the on-the-job learning phase. As this is confidential, internal company information, these projects can only be presented in a highly summarized, anonymized form as examples.

## **2. Development projects carried out in companies as part of the training A “Employees on the way to Co-entrepreneurs”**

### **2.1 Company: carpentry industry, 160 employees**

The project consisted in checking whether employees of departments unrelated to a given project would want to engage in solving problems / challenges that arise in individual departments of the company and what the results would be.

The project was tested in one of the technical departments where a technical problem arose. In solving this type of problem, employees of a given department, i.e. the technical department, were involved, this time, using the internal communication tool in the company, people from other departments were invited to work together on solving the problem. The marketing department turned out to be the most active of the non-technical departments.

As a result of the test, it turned out that a different view of the people from the department, not related to the technical problem that needed to be solved, made it possible to look at the problem from a different perspective, which resulted in its solution in a more comprehensive way.

Employees and managers of the technical department were involved in the project, where the problem occurred, as well as employees of the marketing department. Enabling employees from departments not previously related to a given problem to participate in solving the company's problems resulted in the possibility of a more comprehensive approach to solving emerging problems / challenges and looking at emerging challenges from a wider perspective. The project shows that the voluntary involvement of employees in solving emerging problems causes greater employee identification with the company and greater involvement in the company's activities. In addition, employee participation resulted in greater integration of employees within the company and increased sense of achieving common goals.

The company plans to continue such a mechanism in the event of new tasks / problems to be solved.

### **2.2 Company: automotive branch, 20 employees**

Due to the pandemic situation and the changing needs of customers at that time, the company decided to implement an innovative idea, the aim of which is to quickly and conveniently deliver the work performed by the company to the customer, in this case it is about personalizing the appearance of the car. After the changes ordered by the customer, he will be able to pick up his car at various locations. This solution means that the receipt of the order does not depend on the company's working hours, which in turn has a positive effect on the working hours of employees. Some employees who want to work at times other than the opening hours of the automotive plant may come to work at times that are more convenient for them. It is important to complete the order and the employee may perform this work without being bound by the need to collect the order by the car owner during the company's working hours. The

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employees responsible for delivering the order will also not have to put their health at risk, as the automatic key collection machines that enable the collection of the car will be operated by the codes provided to the customers. Employees will not have direct contact with customers when delivering the order.

In addition, the owner involved his employees in the preparation of this innovation and their opinions were a very important element creating the whole idea. Moreover, the project was based on collecting information directly from customers, collecting surveys and empathetic resolution of their problems with receiving orders.

The project is in the stage of detailed planning. However, it is very important to involve employees in the decision-making processes in the company.

The project is currently being prepared in terms of logistics and finances. The people involved are the owner of the company, company employees and customers.

### 2.3 Company: meat industry, 50 employees

The company wanted to find a suitable solution to improve communication and organizational issues in the company due to the need to work remotely. In the project, they wanted to use a tool that would facilitate the organization of work between employees, division of duties and communication.

The company decided to try the Asana tool, which is to be used for better organization of work and greater satisfaction of employees who can follow the progress of their activities. This tool is designed to prevent unequal division of duties and make employees feel more responsible for the processes they carry out.

The tool is currently being tested in one of the departments of the company.

### **3. Development project carried out in companies as part of the training B “Digitization and Human Capital”**

Company: Manufacturing, 130 employees

In October 2020, Tasowheel Group decided to redesign its organisation with the objective of enabling added emphasis on three strategic initiatives: international growth, strong investments, and production efficiency. The management of three production companies was transformed into management on the concern level. At the same time, Tasowheel also decided to raise the level of digitalisation in the organisation. Petri Keski-Korpela’s development task in the PKDIGI2020 training was to develop an IT strategy for Tasowheel.

Much of the data concerning the development task is confidential, but the steps for developing the Tasowheel IT strategy are listed below.

1. Getting acquainted with the IT at Tasowheel
2. The basis for the IT strategy: supporting business via the processes
3. State of the art analysis
  - a. IT infrastructure
  - b. Tasowheel software and applications
  - c. Main partners
  - d. IT maintenance cost comparison
  - e. Users of main software
4. Future actions 2021–2023
5. IT costs 2018–2023
6. Presenting the IT strategy to the Tasowheel board 20 April 2021

The development task was very important for Tasowheel, because they did not have an IT strategy before, and having one these days is very significant for an SME that wants to grow and prosper. Both the management and the employees were committed to the task and to the company, and the atmosphere at Tasowheel seems to be good.

## **4. Development projects carried out in companies as part of the training C “Innovation Processes”**

### **4.1 Company: Forest management, 17 employees**

Production of forest taxation, evaluation of growing wood, reforestation, logging, preparation and arrangement of all types of documents. Challenge - Since the spring, company has been working mostly remotely due to COVID-19 and have only been together in the office for a few months in year 2020. In addition, supervisors work in the regions and are not directly attached to the central office.

Desired result - Increased engagement of employees. At the start, the company wanted to understand how to control employees who work remotely. How to assess whether employees are doing all the work and not doing private things most of the day and doing only what is absolutely necessary.

During the trainings company understood that problem lies in employee motivation and not control mechanisms. Motivation was increased.

HR project implementation tasks:

- Employee surveys/interviews
- Gathering feedback from employees
- Organize tender for insurance companies and provide employees with health insurance to increase motivation
- Implement regular joint online meetings

Project was rather easy and company owner was directly interested in the success of the project as he wanted to increase employee’s motivation and engagement rate.

### **4.2 Company: Latvian Environment, Geology and Meteorology Center, 290 employees**

Branch/focus of activity of the company: Ensure the collection, storage and provision of environmental information to the public and state and local government institutions, environmental monitoring, identification and assessment of subterranean resources, management of the state-owned hazardous waste landfill, safe management of radioactive waste and nuclear facilities, as well as participation in geology, meteorology, climatology, hydrology, water and air quality, the effects of transboundary air pollution and radioactive and hazardous waste management, as well as the maintenance of the national geological fund, fringes and reference samples, the environmental data archive and the library of scientific and technical literature.

Employee learning process management - Currently, training for employees is planned within the structural units, within the annual budget, mainly emphasizing only expenses. Aspects of implementation, change and feedback are not traceable.

Transparent learning process in the company as a whole, which can identify starting with what employees need (what to learn) or goals, motivation, and ending with not only the results that have been learned, but also an overview: costs, application in

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practice, assessment of training providers and internal transfer of knowledge to other employees.

HR project implementation tasks:

- Development of the project specifics
- Introduce other department managers with the project
- Introduce members of the board with the plans and include training plan in the next years budget
- IT platform development
- Inform employees
- Monitor process

Project was quite challenging as the company is governmental and with huge number of employees and therefore needs. This demands serious preparation from Human resource department as all these initiatives needs to be approved by members of the board and that requires clear argumentation.

### 4.3 Company: Sanne group, 100 employees

Branch/focus of activity of the company: Leading specialist alternative asset fund administrator, with jurisdictional and asset class expertise like no other.

Analyses local and external evidence, understand the relationship between how brand image affects talent acquisition and retention, and suggest ways to improve the situation.

Short description of the results:

- Increase in average employment time
- Increase new and talented employees in the company
- Increased employee satisfaction with the company and working conditions
- Increased word of mouth effect

HR project implementation tasks:

- Understand what causes people's dissatisfaction in the company (Promised vs. real company environment and job responsibilities that affect attitudes towards the company and, together with word of mouth, reduce the company's brand image)
- Understand the link between brand image and talent acquisition and retention
- Develop recommendations to promote the acquisition and retention of talents
- Practical activities to acquire and retain talent

So far, the problem has been identified, the evidence analysed and ways to improve the current situation suggested. It takes long time to actually implement and test the impact of such changes in the company

### 4.4 Company Primum Ltd., 16 employees

Branch/focus of activity of the company: Finance management company, whose main specialty is accounting outsourcing.

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Talent management and talent attraction. The profession is undergoing change, technology is becoming more and more involved, so the accounting service is transforming from a data processor to more and more business consulting. Therefore, highly qualified staff is needed.

Most of the team consists of high-class professionals who are also able to consult.

HR project implementation tasks:

- Employee audit
- Employee interviews
- Individual competence building plans for existing employees
- Employee competence standard development
- Recruitment of new specialists

A non-monetary motivation program has been established - flexible working hours (remote is not the same as flexible), 2 additional holidays - name days and birthdays, health insurance, training program, including certification program

There is a remuneration program - basic salary and various bonuses

Has a comfortable and modern workplace, technical means (including programs, 3 monitors, etc.)

There are cohesive and recreational activities

Work has been started to improve the public image, because in the conditions of insufficient labour market, the public image is of great importance, incl. creating a new website with not only customer feedback, but also employee feedback - why it's good to work here

Internal growth program developed

More active work has been started with educational institutions in attracting trainees and potential employees

There is a plan to buy a small office - it is quite a risky, but there is an option to get potential talent

### 4.5 Company: Augstsprieguma tikls, AS, 200 employees

Branch/focus of activity of the company: Independent transmission system operator in the Republic of Latvia, engaged in providing electric power transmission network services and ensuring the balancing and stability within the transmission network.

Employee involvement and implementation of LEAN management system, LEAN has been introduced to improve all processes and improve the company's efficiency by working with fewer resources.

HR project implementation tasks:

- Research on employee involvement, analysis of its results in cooperation with "RAIT GROUP" to find out employee satisfaction with various aspects of work

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(work environment, processes, communication in the team and with the manager, motivational factors, etc.)

- LEAN methods and tools - training organization for the management team
- Exchange of experience with companies that have already implemented LEAN
- Organization of LEAN training for 2nd level managers - Productive service management
- LEAN training for employees (Riga and regions), in cooperation with SIA "Leilands un Putnis"
- LEAN training and work sessions for the change management team - in cooperation with SIA "Leilands un Putnis"
- Start of LEAN implementation

Implementation takes long time but at this point company has organized Trainings for senior management and level 2 managers. A large group of employees has been recruited for introductory training on the LEAN method. A group of 15 managers and employees has been created to study and start implementing LEAN.