

CHALLENGES WITH HUMAN RESOURCE MANAGEMENT

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Content of the lecture

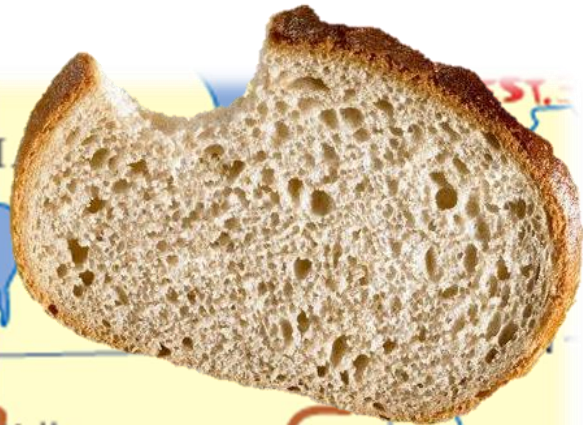
- Latvia and Latvia University of Agriculture
- Tendencies in society and economics influencing management of human resources in organizations
- Gender differences (X, Y, Z) and ability to work together
- Case studies: success stories about human resource management



Latvia is located on the East coast of the Baltic Sea.
It is the central country of the Baltic States.

Latvia

0 50 Miles
0 50 Kilometers





Latvia in figures

Area: 64,589 sq.km

Population: 2 million

There are ~ 5 ha of land for each inhabitant of Latvia.

Ethnic composition:

- 59% Latvian,
- 28% Russian,
- 13% other nationalities

Highest point: Gaiziņkalns, 311.6 m

Capital: Rīga

Currency: since 2014 – EURO

Official language: Latvian

The history: The Republic of Latvia was founded on November 18, 1918. After a 50 years' presence of Soviet and Nazi occupational powers (1940-1990), Latvia declared independence in 1990

Foreign policy: In 2004 Latvia joined the EU and NATO





Capital of Latvia - Rīga

- Latvia's **political, economic and culture centre** where lives and works more than 1/3 of Latvia's population.
- **Funded in 1201** -> one of the oldest medieval cities in Europe and has been listed by *UNESCO* as one of the world's most important cultural and natural sites.
- In 2014 Latvia's capital city Rīga was a **European Capital of Culture**.
- **The Song and dance Celebration** – a unique cultural phenomenon that has thrived for 135 years. More than 30.000 singers, dancers and musicians participate in this event.
- Riga has hosted world hockey championship, the Eurovision Song Contest, etc.



Latvia can truly be viewed as one huge nature park – white sandy beaches, green forests, clean air and water.



- The **longest beach in Europe** – 500 km of sandy coastline
- 2 256 lakes and 12 500 rivers
- Latvia is home to the **widest waterfall in Europe**: Ventas Rumba, at 110 m (360 ft) wide, though only 2 m high.
- Latvia performed **2nd in Yale's Environmental Performance Index in 2012**.



The world knows Latvia by...



The coolest gadget of 20th century, the **spy photocam Minox** was invented in Latvia.



Ever wonder who inspired Crocodile Dundee? A Latvian. Arvīds Blūmentāls, allegedly killed 10.000 crocodiles.



You know those **rivets on your jeans**? You've got a Latvian to thank for it. Jacob Davis partnered with Levi Strauss to bring his invention to the denim-clad masses.



Several dozens of drugs widely used in the world – **Remantadinum, Mildronatum** etc.

Do you remember your childhood dream – to fly like a bird?





Torino winter Olympics closing ceremony 2006



Jackie Chan flying at Aerodium

AERODIUM is the first vertical wind tunnel in Eastern Europe. The wind flow is so strong that you will be able to lie down in it and to fly without wings.



BMX rider M.Štrombergs



Luge racers A.Šics and J.Šics



Skeletonist M.Dukurs

Ice Hockey and basketball, as well as bobsleigh and luge are extremely popular sports. Latvians have successfully competed and won medals in the Olympics since 1924.

Māris Štrombergs – the first and only Olympic Champion in **BMX**

Martins Dukurs – **skeleton racer**, Winter Olympics silver medallist, World and European champion (silver at the 2010 Winter Olympics in Vancouver and a 2nd silver at the 2014 Winter Olympics in Sochi)

Ernests Gulbis – professional **tennis player**

Juris & Andris Šici – **lugers**, silver medal in the men's doubles event at Vancouver in 2010 and 2 bronze medals at Sochi in 2014

Kristaps Porzingis – professional **basketball player** of the National Basketball Association (NBA)



Latvia University of Agriculture

- Third largest university of Latvia welcomes students that are planning their further education in the heart of Zemgale region – Jelgava, the student capital of Latvia!
- Besides the traditional study fields, LLU also provides multiform unique study programmes related with **advanced agriculture, veterinary medicine, food production, forestry and landscape architecture.**





Jelgava Palace – largest and outstanding architectural pearl of the Baltics during 18th century

1265 The Livonia Order master Mondernos Conrade starts to built the Jelgava Palace.

1737 The palace is blown up by the order of *Ernst Johan Biron* (Duke of Courland and Semigallia).

1738 The building of the new Jelgava Palace is started by the *Italian architect Franchesko Bartolomeo Rastrelli*.

1738-1795 The palace is the residence of the Duke of Courland and Semigallia.

1919 The army of Bermont – Avalon burns down the palace.

1939 The Latvian Agriculture Academy starts the *academic work in the palace*.

1991 Academy gets a new status – *Latvia University of Agriculture*.





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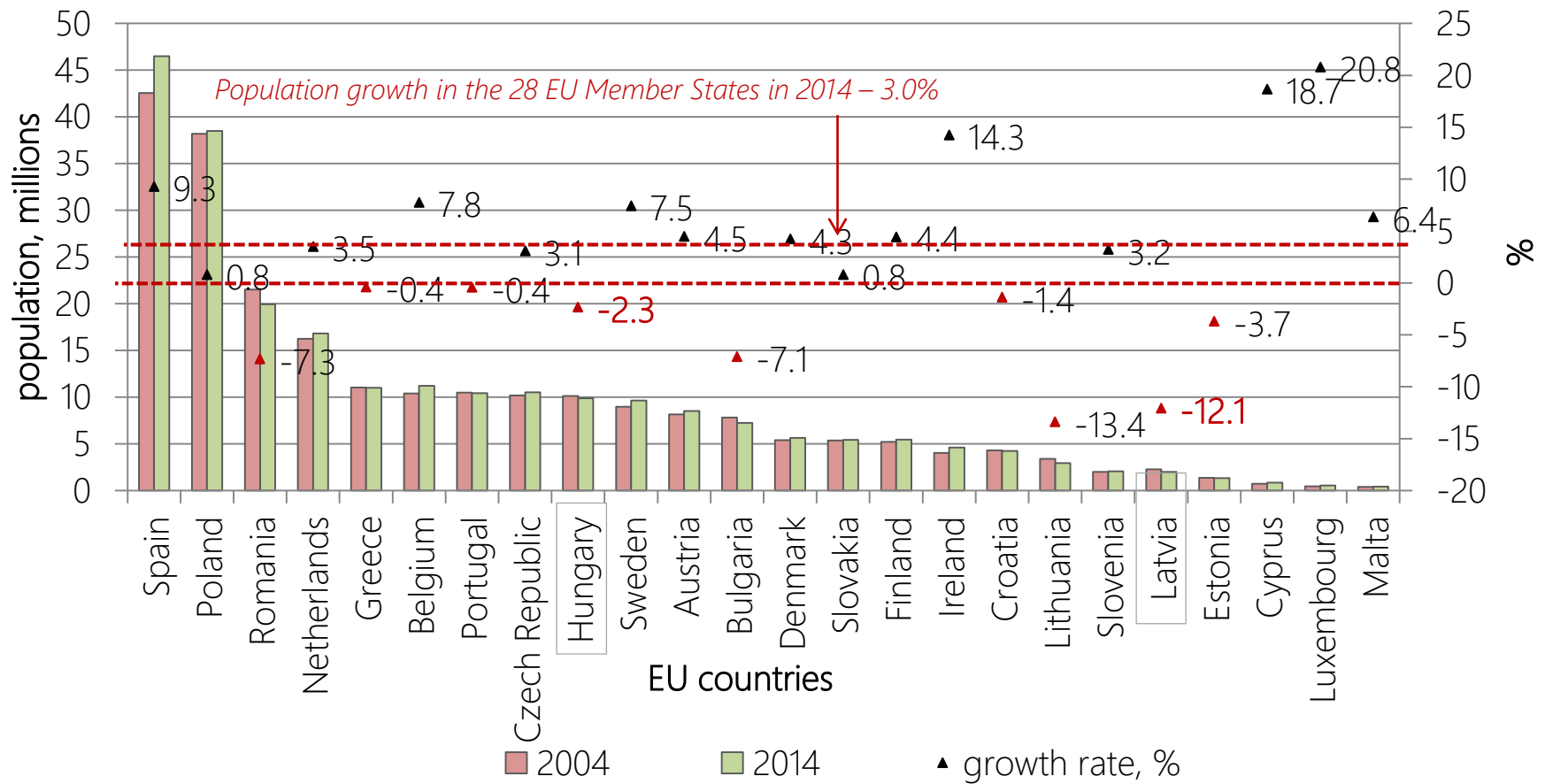
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POPULATION TRENDS

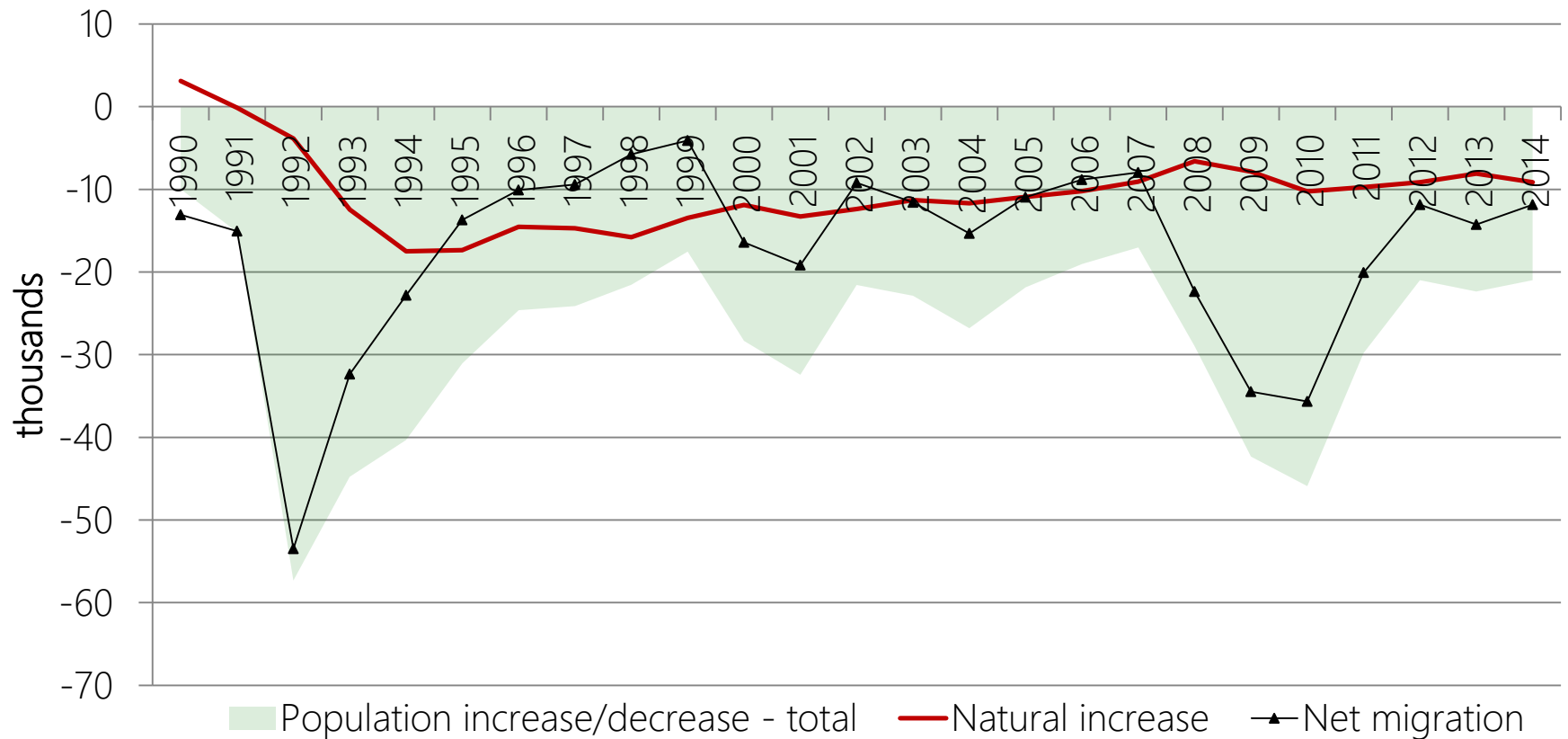
- How much will the population grow in the coming years?
- Will the proportion of young people in the population get bigger or smaller?
- What human resources will be available to organizations in the future?

Population and its changes in the EU Member States in 2004 and 2014



Eurostat's calculations show that inhabitants in Latvia will decline to 1.8 million in 2050. This means that the Latvian population tends to decrease substantially, becoming one of the least populated areas of the EU.

Changes in residential population by factor in Latvia from 1990 to 2014



Mainly from the Latvia are emigrating people of working age. In 2013 75% of the expatriate population was of working age (45% of all emigrants – the age group of 20 to 34 years of age). Demographic change threatens the availability of human resources for business development.

Groups of unemployed in Latvia in the period 2006 – 2014, as a % of the total unemployment

Indicators	2006		2008		2010		2012		2014	
	number	%	number	%	number	%	number	%	number	%
Disabled individuals	3451	4.3	3406	6.4	9119	4.9	9799	9.4	14 091	15.1
Long-term unemployed individuals	20 410	25.7	9469	17.8	29 420	15.8	45 981	44.2	52 819	56.6
Unemployed youth (aged 15 – 24)	11370	14.3	7007	13.1	27 132	14.6	10 449	10.0	13 975	15.0
Individuals after childcare leave	9048	11.4	3754	7.0	3534	1.9	2963	2.8	5356	5.7
Individuals released from imprisonment	436	0.5	181	0.3	477	0.3	401	0.4	375	0.4
Unemployed individuals of preretirement age (aged >55)	7273	9.2	5715	10.7	17 995	9.7	13 993	13.4	20 182	21.6
Total unemployment in the country	79 368	-	53 325	-	186 295	-	59 350	-	93321	-

Employment opportunities affect the wellbeing of population in a direct way, as unemployment increases the risk of poverty.



It is important to use all available human potential.





FORECAST: AGING THREAT

According to United Nations figures, the next few years the world will already have **1 billion** people over the age of 60 years.

In Latvia already now nearly **one in four** has reached retirement age.
Age ratio will be as follows: **5 seniors, 3 – 4 employees and 2 children.**



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Practical task

How would you recommend to use human resources of
preretirement age (aged >55) effectively?





SILVER ECONOMY

A key challenge for Europe is its ageing population (in terms of public budgets, workforce, competitiveness and quality of life) but also a **major opportunity for new jobs and growth.**

Rights, needs and demands of the (growing) population over 50:

- health and social care,
- eHealth, active and healthy ageing,
- senior tourism,
- age-friendly housing,
- robotic devices.



SILVER ECONOMY

In developed countries, such as Finland, Sweden, France and Norway, which have already been confronted with the rapid aging of the population, the **silver economy** is considered to be highly prospective and profitable direction.



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Older people are an important resource to the public, because they can make it smarter and more human. In addition, older people are **emotionally stable, creatively, efficiently take decisions, perceived criticism, and better cope with stress.**

The third age (60 +) can become an important achievement period.





LUDE



«People in retirement age are thrown out of the labor market, they are underappreciated resource. Modern pensioner is healthy, fresh, with a frightening thought that they are no longer needed in the workplace.»

(Zane Bojāre, founder of the social business)



L U D E

- Trained and employed **14 seniors**; In Lude currently operates **5 and 3 individually**
- Weave more than **100 rugs**, saving around **200 kg** of textile waste from entering the garbage
- Established a successful **supply chain of raw materials**, in collaboration with Rosme, LAUMA Lingerie, NIB * etc.
- Commenced trading on the internet and Latvian designer stores (RIIJA, Lukabuka, M50, etc.).





OMA BIKE TÛRE
Tours/Sightseeing

OMA BIKE

«OMAbike Tour» is a cycling adventure, led by cycling guides – seniors OMA and OPA.

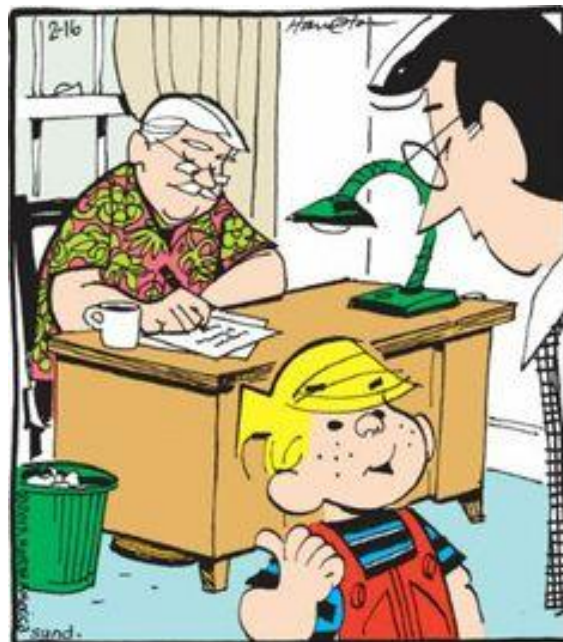
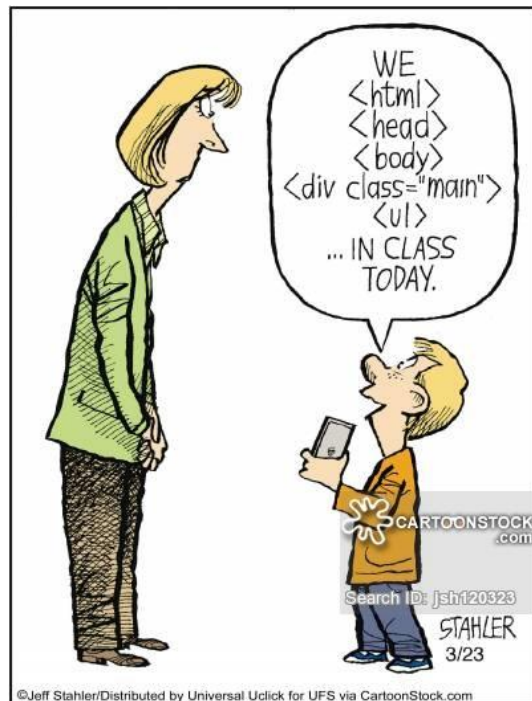


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CHARACTERISTICS OF GENERATIONS





"CAN YOU BELIEVE IT? GRAMPA WRITES HIS EMAILS ON PAPER."



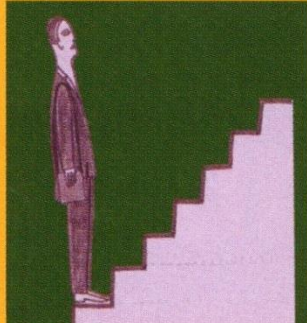
Characteristics of generations



TRADITIONALISTS

born from 1925 to 1945

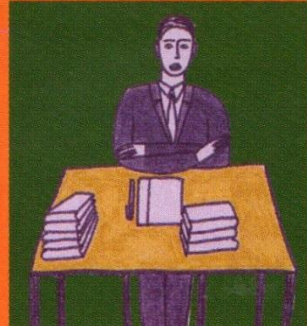
- influences: Great Depression, World War I and II
- don't like change
- value logic and discipline
- loyal to the institutions and organizations
- easy adopt rules and hierarchy
- success is measured in money earned
- key word: **LOYAL**



BABY BOOMERS

born after II World War (from 1946 to 1964)

- influences: grew up during the time of the various protests, when people were fighting for their rights
- focused on competition and ideals
- want to build a stellar career
- money, title, recognition
- key word: **OPTIMIST**



GENERATION X

(born from 1965 to 1979)

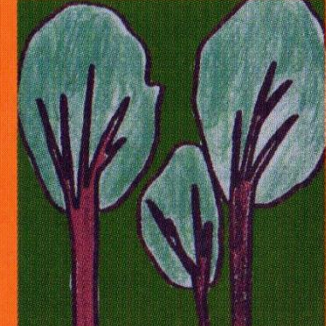
- influences: grew up during the time when was born the idea of freedom, different reforms, which makes X generation increasingly careful and unfaithful to any systems.
- each is responsible for his own fortune
- do not trust anyone (institutions)
- always prepare a plan B
- key word: **SKEPTICISM**



GENERATION Y

(born from 1980 to 1995)

- influences: expanded technology, natural disasters, violence
- *here and now* approach
- immediate response and action
- multitasking
- confident and optimistic
- want work to be meaningful
- key word: **REALISTIC**



GENERATION Z

(born after 1996)

- looking for compromise
- financially conservative
- risk averse
- think about how to make more efficient use of limited resources
- looking for ways to create technologies that respect the environment

Generations have to cooperate, understand, accept and use each other's advantage, not to judge one another.

Such a bright, independent, ambitious and demanding young professionals entering the job market is a **challenge for every company.**

They **want to make business**, rather than stand on the assembly line, wants to **work on their own rules** and have their own life-setter.

«What should I do to become your boss after a year?»



Generation Y:
«I'll be here as long
as I can learn.»



«It seems you hop from job to job.»



Google's 20% Time allowed engineers to spend the equivalent of one day a week working on a personal project without having to justify it to anyone. *Gmail, Google maps, Adsense, Google Talk* and many other products were born from this scheme. Adsense alone is responsible for around 25% of Google's annual revenue.

IX. INTERNATIONAL AVENTICS

PNEU MOBILE

COMPETITION

Eger

6-7th May 2016



Deadline for registration:
25th October 2015

FOR STUDENTS

Aventics Hungary Ltd. is announcing a competition for designing and building pneumatic driven vehicles for the first time. Teams of maximum 4 students of universities and colleges can enter the competition. The candidate vehicles will match their performance on more race tracks: the longest run distance, the best acceleration and the custom (semi) track. The more important aspects of technical rating are the technical originality of the solution and the technical level of implementation.



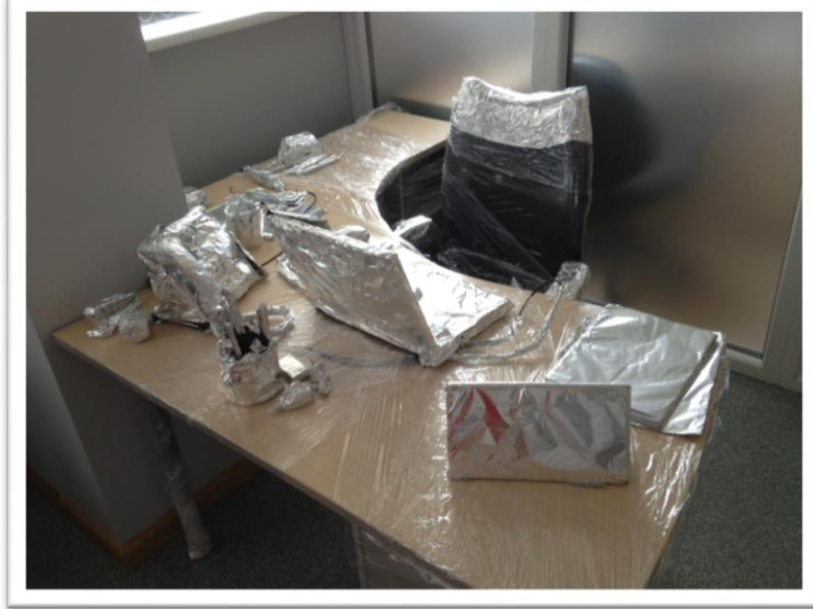
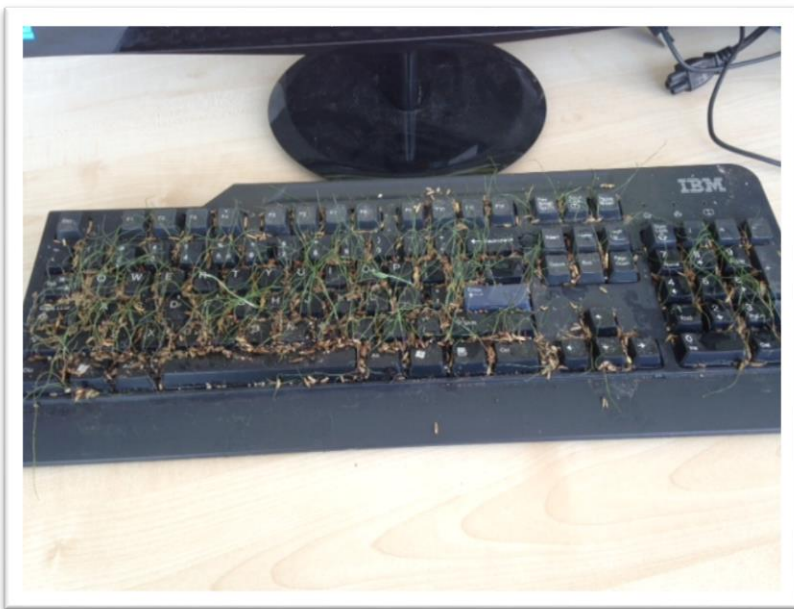
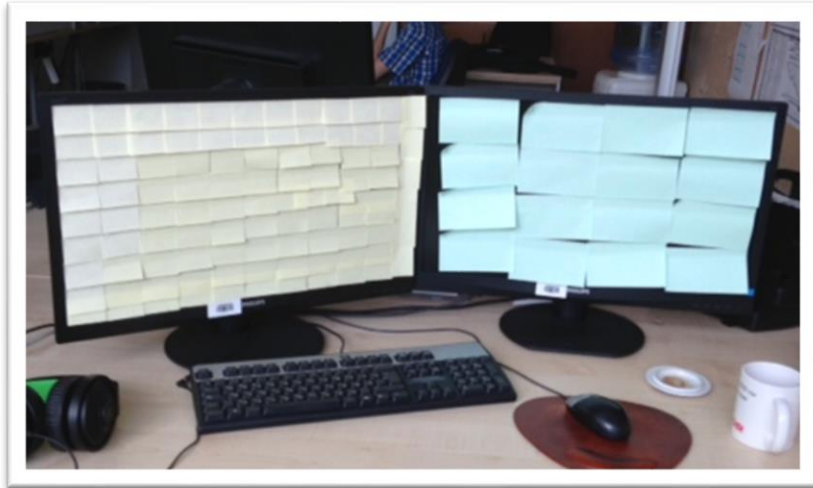
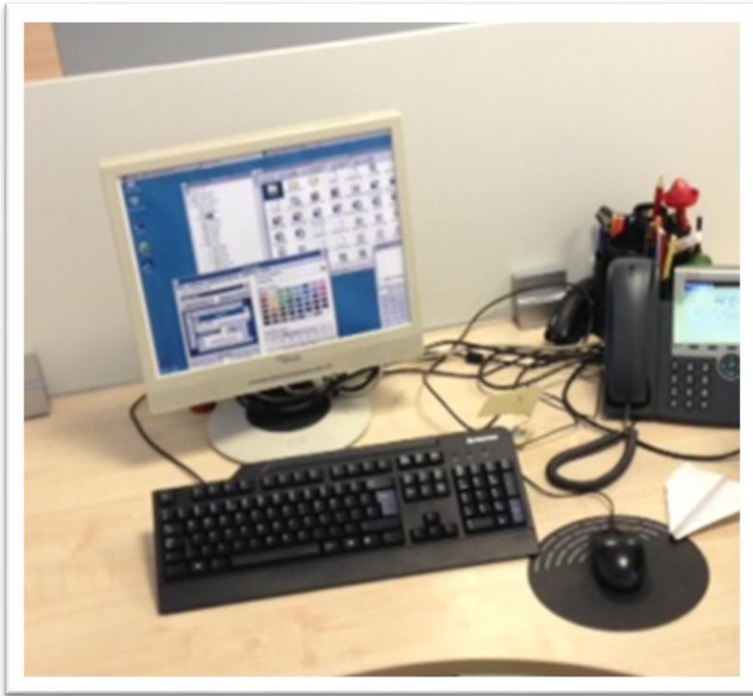
www.pneumobike.hu

Can you take more?

Generation Y:
Challenging
work



*Generation Y:
Creative work
environment &
colleagues*



Creative office



Generation Y:
Broader
thinking

facebook®

This is the era of talent.

Companies buy talents, organizes and manages talents.





Keep in the darkness, occassionally douse the manure and remove anyone who picks up the head.

HR in SIA TSRiga => till 2011

- Some facts:

- In 2009: TSRIGA owned a team of **40** persons and a turnover of 600 000 €. The **management of resources was inexistent.**
 - No leadership
 - 17% absenteeism
 - No objectives neither for employees nor for engineers.
 - Working conditions were unbearable
 - No motivation tool for encouraging to more efforts and results
 - No information board to communicate with the staff
 - No monthly meetings to share with our teams

HR in SIA TSRiga => Since 2011

- Some facts:
 - In 2015: TSRIGA owns a team of **38** persons (-2) but today **reached a turnover 5x bigger**. How have we evolved ever since?
 - We defined our needs to achieve our goals
 - We set an organizational chart, job descriptions and responsibilities for all employees. We hired a workshop team leader, and a production/ planning manager
 - We developed quality rules and production standards.
 - We in other words took a 180° new turn!

Characteristics of generations

Characteristics	TRADITIONALISTS	BABY BOOMERS	GENERATION X	GENERATION Y
Birth years	Before 1945	1946-1964	1965-1979	1979-2006
Business focus	Quality	Long hours	Productivity	Contribution
Motivator	Security	Money	Time off	Time off
Company Loyalty	Highest	High	Low	Low
Money is	Livelihood	Status symbol	Means to an end	Today's payoff
Value	Family/Community	Success	Time	Individuality

WHAT TO DO?

Consider engaging them as teachers, mentors, coaches, part-time project leaders.

Boomers are burning out with today's workload and are not impressed with less ambitious Gen Xers.
Offer them flexibility, authority and respect. Challenge them to keep growing (in their own way).

Gen Xers don't want to follow Boomers into burn out. They think Yers need too much hand holding.
Manage them with a coaching style
FAST feedback and credit for results.
Push them to keep learning just-in-time for every new project.

Get to know their capabilities and put them in roles that push their limits. **Treat them as professional colleagues and they will act like professionals.** Keep them focused with speed, customization and interactivity.



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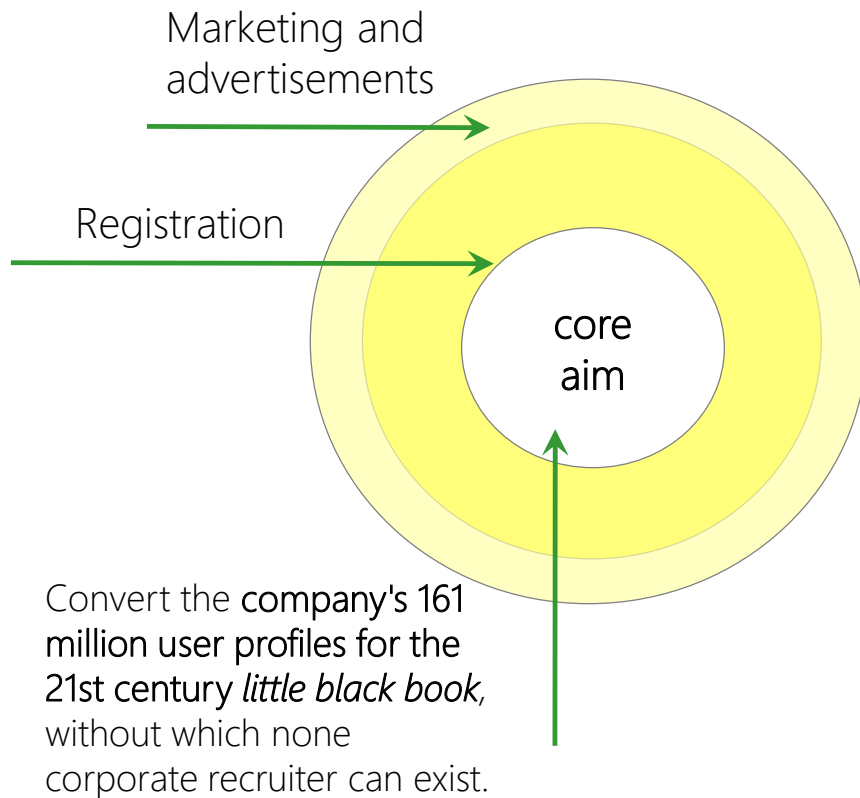
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TECHNOLOGICAL FACTORS





The story of LinkedIn



- Originally *LinkedIn* operated with a 4.5 million dollar loss in the year.
- Jeff Veiner, the current leader, redirected their business to a more ambitious service – **corporate sales talent seekers**. From each user requiring 8.200 dollars a year.
- Now, thousands of companies use *LinkedIn* to **hunt for qualified, for success-oriented people**. *LinkedIn Recruiter* is expensive and indispensable tool that users make a full-fledged market participants.

Your data are more valuable than your time



$$\begin{array}{r} 900\,000\,000 \\ \times 6.35 \\ \hline 5\,715\,000\,000 \end{array}$$

The total number of users
Monthly hours spent on 1 users
All users spent hours

$$\begin{array}{r} 161\,000\,000 \\ \times 0.30 \\ \hline 48\,300\,000 \end{array}$$

$$\begin{array}{r} \div \$ 352\,670\,000 \\ \hline 5\,715\,000\,000 \end{array}$$

Average monthly revenue
All users spent hours

$$\begin{array}{r} \div \$ 62\,818\,000 \\ \hline 48\,300\,000 \end{array}$$

0.62 dollars

Incomes of users per hour

1.30 dollars



-
- A few years ago there was made an experiment: **to find qualified candidates for technical work.**
 - One pair of recruiters used a traditional approach, the other couple used *LinkedIn*.
 - Those who used LinkedIn finished the task within few hours. Another – were dealing with this task for a few weeks.



GLOBALIZATION

- Globalization makes it possible to attract foreign personnel, materials, and to increase sales.
- However, it makes the management of human resources complicated





Top 5 questions:

-
1. What is the main motivator of generation Y?
 2. What kind of factors has influenced the generation Y?
 3. How do we call people who has born in the period 1946 – 1964 according to generation theory?
 4. How many people live in Latvia?
 5. What is the capital of Latvia?





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THANK YOU FOR YOUR ATTENTION!

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