



VAASAN YLIOPISTO

LAURI TUOMI

Strategic Human Resource Development
in SMEs

The Identification of Key Employees and Their
Discourses on Human Resource Development

ACTA WASAENSIA

No. 135

Business Administration 55
Management and Organization

UNIVERSITAS WASAENSIS 2005

Reviewers

Professor José M. Veciana
Autonomous University of Barcelona
Edifici B – Campus de la UAB
08193 Bellaterra (Cerdanyola del Vallès)
Barcelona, Spain

Professor Tuomo Peltonen
University of Oulu
P.O. BOX 4600
FIN-90014 University of Oulu

PREFACE

For the last decade I have had a challenging opportunity to work as a manager in a training organisation and a rewarding opportunity to learn to know the SME sector. A couple of years ago, I had an interesting discussion with the marketing manager in a family-owned enterprise. On that particular day, he was completely frustrated because he had just heard that the managing director did not support his idea to develop himself in a training programme. This happened only a day after I myself had heard the managing director talking for a long time about how important it is to train and develop the employees in order to survive in the competitive environment. This particular episode started to disturb ~~me: why the talk of these two persons provided such a contradictory picture of the human~~ resource development in the firm. After that, I started to listen to the employees and owners more carefully, and this episode seemed to be repeated again and again.

In addition, the episode appeared to be even more complex the more I observed and listened. Every now and then, even all the persons in a small firm seemed to talk completely differently about human resource development, and I became interested in this phenomenon. Why does it seem that there are not any single realities in the firm, but rather a number of individual interpretations of the reality? In addition, as I worked in the field of management training, my interest was to identify the persons who are strategically the most important for the firm (i.e. not only the managers) and listen to their individual interpretations. As these thoughts did not now leave my mind, it was natural for me to focus my doctoral dissertation in order to answer these questions.

The turning point of my research process was the reading of Alasuutari's (1996) book "Excellent dear Watson" in which he constructs a fascinating analogy between qualitative research and the work of detectives. According to him both these focus on aiming at solving the mysteries of the social world by means of human intelligence. For me the interpretative realities as well as the identification of key employees in SMEs were the mysteries which I wanted to solve, and while reading the book an imaginative discussion between detective Sherlock Holmes and his assistant Dr. Watson suddenly appeared to my

ACTA WASAENSIA

mind. This particular dialogue has been of great support during the research process. It has provided me with a possibility of keeping the research process strictly on track and, especially, it has provided me with the trust that the mystery is possible to solve by systemic use of human intelligence and fruitful discussions with other researchers in the field, with colleagues at work and, especially, with the key employees in SMEs. Therefore, I would like to present the dialogue for the readers in this prologue:

Holmes: "Dear Watson, what are the facts we have regarding the mysteries of identifying the key employees in SMEs and their interpretations of the human resource development in the firm, and why does there seem to be so much internal variation on the individual level?"

Watson: "Let me see, the facts are...hmm... First, as we know each SME is unique in its nature. Therefore we should treat it as unique, too. Second, there are a number of previous studies listing the obstacles to the development of human resources in SMEs, but they do not solve the mystery of internal variation. Third, there are strategically important persons – perhaps we could call them key employees - working in SMEs. However, the problem is how to identify them. Fourth, as we already know, the talk is an important part of the organisational life of SMEs. So, perhaps we should reach the unique nature of SMEs by discussing with the individual key employees?"

Holmes: "Excellent, dear Watson. I think we have the clue!"

Watson: "Do we??"

Holmes: "We just have to identify the key employees and dive into the discursive worlds of the key employees and the mystery will be solved! – So, please, dear Watson, would you pour me some more tea..."

CONTENTS

PREFACE	3
LIST OF FIGURES	7
LIST OF TABLES	9
ABSTRACT	10
1. INTRODUCTION	11
1.1. The SMEs and the Strategic Human Resource as Focus.....	12
1.2. The Importance of the Talk in SMEs	15
1.3. The Research Objectives and Research Setting	17
1.4. The Outline of the Research.....	20
2. THE STRATEGIC HUMAN RESOURCE DEVELOPMENT AND THE KEY EMPLOYEES IN SMES	22
2.1. The Human Resource Management and Development in SMEs.....	22
2.2. The Overall Picture of Strategic Human Resource Development in SMEs	24
2.3. The Key Employees as Strategic Human Resource	30
2.3.1. <i>The Resource-Based View of the Firm</i>	31
2.3.2. <i>The Attributes of Strategic Resources</i>	37
2.3.3. <i>The Concept of Key Employee</i>	42
2.3.4. <i>The Framework for the Identification of Key Employees</i>	46
3. THE DISCOURSE ANALYSIS	51
3.1. The Language seen as Function	52
3.2. The Discourse and the Discursive World	54
3.3. The Discourse Analytic Research Process.....	57
3.4. The Questions of Credibility and Generalisation.....	61
4. THE KEY EMPLOYEES AND THEIR DISCOURSES IN FIRM A AND FIRM B	65
4.1. The Identification of Key Employees in Target Firms.....	65
4.1.1. <i>The Key Employees in Firm A</i>	65
4.1.2. <i>The Key Employees in Firm B</i>	68

ACTA WASAENSIA

4.1.3. <i>The Evaluation of Conceptualisation and Identification of the Key Employees</i>	72
4.2. The Discourses Produced by the Key Employees in Firm A.....	75
4.2.1. <i>Financial Manager</i>	75
4.2.2. <i>Owner-Manager</i>	82
4.2.3. <i>Management Assistant</i>	90
4.2.4. <i>Logistics Manager</i>	99
4.2.5. <i>Accountant</i>	106
4.2.6. <i>The Conclusions Regarding the Key Employees' Discourses in Firm A</i>	112
4.3. The Discourses Produced by the Key Employees in Firm B.....	124
4.3.1. <i>Chief Financial Officer (CFO)</i>.....	124
4.3.2. <i>Owner-Manager (CEO)</i>	132
4.3.3. <i>Vice President, development</i>	142
4.3.4. <i>Chief Architect</i>	151
4.3.5. <i>Vice President, sales and marketing</i>	156
4.3.6. <i>Vice President, professional Services</i>	162
4.3.7. <i>Chief Technical Officer (CTO)</i>	170
4.3.8. <i>Conclusions Regarding the Key Employees' Discourses in Firm B</i> ...	179
5. CONCLUSIONS	195
5.1. Summarizing the Aims of the Research.....	195
5.2. Conclusions Regarding the Discourse Analysis.....	196
5.3. The Role of SHRD in the SME-Context.....	200
5.4. The Implications for Practice and Future Research.....	205
ACKNOWLEDGEMENTS	210
POSTSCRIPT	211
REFERENCES	212
APPENDIX 1. The coding.....	225
APPENDIX 2. Thematic interview.....	226

LIST OF FIGURES

Figure 1.	The framework for the discourse analysis (modified Jokinen, Juhila & Suoninen 1999: 21).	18
Figure 2.	The research process.	19
Figure 3.	The life-cycle model and five key management factors (modified Churchill and Lewis 1983: 42).	27
Figure 4.	The HRM portfolio and the roles and potential career paths (modified Odiome 1984: 65-67; cf. Lähteenmäki 1995: 339).	28
Figure 5.	The Central Role of SHRD in the SME context	30
Figure 6.	The Resource-based model and environmental models of competitive advantage (Barney 1991b: 110).	34
Figure 7.	The discursive world (modified Jokinen et al. 1999:20-25).	55
Figure 8.	The levels of the discourse analysis (modified Alvesson & Kärreman 2000b; Lämsä 2003).	56
Figure 9.	The discourses produced by the Financial Manager.	76
Figure 10.	The interaction between the discourses produced by the Financial Manager.	82
Figure 11.	The discourses produced by the Owner-Manager.	83
Figure 12.	The interaction between the discourses produced by the Owner-Manager.	90
Figure 13.	The discourses produced by the Management Assistant.	91
Figure 14.	The interaction between the discourses produced by the assistant.	98
Figure 15.	The discourses produced by the Logistics Manager.	99
Figure 16.	The interaction between the discourses produced by the Logistics Manager.	106
Figure 17.	The discourses produced by the Accountant.	107
Figure 18.	The interaction between the discourses produced by the Accountant.	111
Figure 19.	The interpreted reality in the life-cycle of Firm A produced by the Owner-manager	119
Figure 20.	The discourses produced by the Chief Financial Officer.	124
Figure 21.	The expectations for the future in regard to the competence of the CFO.	128
Figure 22.	The interaction between the discourses produced by the CFO.	132
Figure 23.	The discourses produced by CEO.	133
Figure 24.	The interaction between the discourses produced by the CEO.	142
Figure 25.	The discourses produced by the Vice President (development).	143
Figure 26.	The interaction between the discourses produced by the Vice President (development).	150
Figure 27.	The discourses produced by the Chief Architect.	152
Figure 28.	The interaction between the discourses produced by the Chief Architect.	155
Figure 29.	The discourses produced by the Vice President, sales and marketing.	156
Figure 30.	The interaction between the discourses produced by the Vice President, sales and marketing.	161
Figure 31.	The discourses produced by the Vice President, professional services.	162
Figure 32.	The interaction between the discourses produced by the Vice President, professional services.	170
Figure 33.	The discourses produced by the Chief Technical Officer.	171

ACTA WASAENSIA

Figure 34.	The interaction between the discourses produced by the Chief Technical Officer.	179
Figure 35.	The picture of the role of SHRD in an SME-context.....	200
Figure 36.	The interaction between SHRD and discursive worlds in an SME context. .	204

LIST OF TABLES

Table 1.	The VRIO-framework (Barney 1994b: 4).....	38
Table 2.	The classification of the concepts of 'key employee'.....	43
Table 3.	The operationalisation of the attributes of strategic human resources.....	48
Table 4.	The framework for the identification of the Key Employees.....	49
Table 5.	The identification of the key employees in Firm A.....	67
Table 6.	The key employees in Firm B.....	70
Table 7.	The discourses produced by the key employees in Firm A.....	112
Table 8.	The size of the material describing the 'flow' of the speech.....	114
Table 9.	The identities and the key points.....	117
Table 10.	The variation of the consequences in Firm A.....	121
Table 11.	The internal variation on self-development in Firm A.....	122
Table 12.	The variation on 'hard times' in Firm A.....	123
Table 13.	The discourses produced by the key employees in Firm B.....	180
Table 14.	The size of the textual material in Firm B.....	182
Table 15.	The identities and the key points of the discursive entities produced by the key employees.....	188
Table 16.	The variation of the consequences in Firm B.....	190
Table 17.	The variation of on-the-job learning in Firm B.....	191
Table 18.	The variation on the 'start-up phase' in Firm B.....	192
Table 19.	The variation on 'discussions' in Firm B.....	193

ABSTRACT

Tuomi, Lauri (2005). Strategic Human Resource Development in SMEs – The identification of Key Employees and Their Discourses on Human Resource Development. *Acta Wasaensia* No. 135, 226 p.

This doctoral thesis examines the role of strategic human resource development (SHRD) in an SME context. The focus is on the key employees' point of view and on the socially created reality. Thus, SHRD in an SME context is seen as a frame which does not exist *a priori*, but rather, it is open to different interpretations and, hence, open to be modified and broadened. In addition, since the reality is created by individuals in social interaction, the key employees will be provided with the opportunity to talk about human resource development. Thus, their socially constructed interpretations provide the possibility of broadening the picture of the role of SHRD in the SME sector.

First, however, the key employees need to be identified and, therefore, the criteria of strategic resource of Resource-based theory – value, rarity, imitability and substitutability – ~~are used in order to clarify the concept. As a result, a modified framework for the~~ identification will be developed. Methodologically the discourse analysis will provide a means to understand how the social reality is constructed and maintained in SMEs. Thus, the talk of the key employees is not regarded as a description of the reality but rather the use of language is seen as function itself. Therefore, the discourses of the key employees provide the possibility of understanding the complexity of the reality and the consequences which affect human resource development in the firms.

In all, twelve key employees from two Finnish SMEs were identified and interviewed. As a result, the interpretative nature of the reality became evident. The key employees produced discursive worlds being their socially constructed interpretations affecting the development of human resources of the firm. The interpretations differed from each other and, also, the majority of the discursive worlds were incoherent in their nature. Moreover, the discourses were usually taken for granted affecting radical obstacles to the development. In addition, there were discourses which maintained the past history of the firm, too. Hence, SHRD and key employees' discourses are in close interaction in SMEs and, thus, discourses facilitate the implementation, maintaining and the renewal of SHRD. In addition, SHRD provides a base for social interaction in which the discourses are maintained, renewed and shared. As a result, this dissertation emphasises the strategic role of key employees in constructing the fit between the actual and interpreted realities. Therefore, the interaction and the use of language are raised as powerful tools to make a shared strategy. To conclude, as the discourses as well as the environment of SMEs are dynamic in nature, the continuous assurance of the fit between the actual and interpreted realities becomes a central issue in SMEs in order to unfold the strategy of the firm

Lauri Tuomi, Pajumäentie 6, FIN-06450 Porvoo, Finland, e-mail lauri.tuomi@pp.inet.fi.

Keywords: strategic human resource development, human resource development, human resources, key employees, SMEs, discourse analysis

1. INTRODUCTION

In this research we will shift to the 'boundary surface' in the SME research field. In other words, the research on entrepreneurship and SMEs has been primarily targeted on the entrepreneur him/herself or on new venture creation (see Veciana 1999). However, during the past decade the importance of human resource development in SMEs has been noticed by the researchers and practitioners as well. For example, human resource development in the SME-context has been included as a theme in the most outstanding research conferences in the field, e.g. the world conferences arranged by the International Council of Small Business (ICSB) and RENT (Research in Entrepreneurship and Small Business), conferences arranged by the European Institute for Advanced Studies in Management (EIASM).

Also, the international doctoral programmes, e.g. EDP (European Doctoral Programme in Entrepreneurship and Small Business Management), have been the facilitators in widening the perspective to the human resource in SMEs. In addition to these, the conferences and workshops on strategic human resource management and development¹ have approached the SME sector, too.

Actually, there is no doubt why the SME sector has become an attractive field for studies focusing on the human resource. First, SMEs – no matter how it is defined – cover over 90 per cent of the total number of enterprises in almost all countries in global perspective. Thus, SMEs are important if the economic aspects or employability are taken into account. Second, until the past decades, the research on human resource development in SMEs has been neglected. Actually, the development of entrepreneurs has been the first wave in the research field having roots in the Schumpeterian era. In fact, this is understandable because there is no doubt that the entrepreneurs are the most important human resource during the start-up phase and, thus, that research truly is needed.

¹ e.g. the workshops on Strategic Human Resource Management arranged by the European Institute for Advanced Studies in Management (EIASM).

However, there is a strong 'call' for the next wave of the SME research. In fact, there is the call for the research on human resource development in the SMEs having 10-49 employees (i.e. the 'small firms'). In small firms, the role of the founding entrepreneur is urging for a change because the founding entrepreneur has recruited persons to different tasks – even strategic for the firm – and should start delegating and empowering. In other words, the field for the cultivation of key employees is prepared in this size category. Moreover, the expectations of all employees for the development are already raised due to the turbulent business environment in which the small firms operate. In addition, these small firms are on the edge regarding their future: either these firms are waiting for the growth phase or they are in the mature phase targeting towards succession or new strategies for future survival. Therefore, in this dissertation we will reach the next wave and focus on strategic human resource development in SMEs. ~~On that wave, we will navigate towards the small firms and~~ their employees and, then, we will dive into the reality in which the small firms operate and develop their personnel, and, finally, we will analyse the role of strategic human resource development in this challenging size category of SMEs.

In this chapter, the background as well as the research process will be introduced. First, we will take a closer look at the SME sector in general and its human resource in particular. Secondly, we will adjust the focus towards the strategic human resource development. Thirdly, we will reach the individual employees and raise the talk to the focus by introducing some samples illustrating the importance and power of discourse. Finally, we will present the research objectives and research setting as well as the outline of this research.

1.1. The SMEs and the Strategic Human Resource as Focus

The SME sector is a source of employment and a contributor to European competitiveness. At the moment there are over 20 million SMEs² in Europe providing the employment with

² SMEs are defined as all enterprises employing less than 250 employees, turnover less than 40 million or the balance sheet less than 27 million and finally economic independence. Micro enterprise employs less than 10 employees. Small enterprise employs 10–49 employees and medium-sized enterprise employs 50–249 employees. (European Commission 2002a; European Commission 2002b; European Commission 2003.)

over 80 million people. These SMEs account for around 99% of all enterprises, 66% of the total employment and 55% of the total turnover. Some 19 million of these SMEs are micro-sized (0–9 employees). About 1,2 million are small-sized (10–49 employees) and about 200 000 are medium-sized (50–249 employees). Only 40 000 of the European enterprises are categorised as large (more than 250 employees). During the years 1998-2001 the employment in the SME sector increased while during the same period the large enterprises lost jobs. Due to the increased competition in single market almost one third of the SMEs have increased the number of their business contacts over the period 1995-2000. In 2001 the main business constrains according to SMEs were: (1) lack of skilled labour, (2) access to finance, (3) administrative regulations and (4) infrastructure. (European Commission 2002a; European Commission 2002b.)

Hendry, Arthur and Jones (1995) point out that the SMEs are a source of employment, contributors to a dynamic economy and sources of innovations and, as such, SMEs play a vital role in every local economy (see Miettinen 2002). Despite the statistical fact that the SME sector is important for the dynamic economy, a previous human resource management research – especially the human resource development research – has been concentrating on the larger companies and organisations (see Kerr & McDougall 1999; Hendry et al. 1995; Heneman & Tansky 2000). However, a number of studies have been made on SMEs, e.g. on the impact of training in SMEs (see Patton, Marlow & Hannon 2000; Marshall, Alderman, Wong & Thwaites 1995, Westhead & Storey 1996), human resource management and development practices in SMEs (see Hornsby & Kuratko 1990; Hill & Stewart 2000); the development of learning organisation (see Gibb 1997); skill supply, development and learning (see Hendry, Arthur & Jones 1991; Dalley & Hamilton 2000) and training and education (see Curran & Blackburn 1994; Sadler-Smith, Sargeant & Dawson 1998).

The common feature of the previous literature on human resource management and development of SMEs has been the “*problem-based view*”, i.e. the researchers provide the reader with lists of problems or obstacles regarding the development of the human resource. Kerr and McDougall (1999) list particular features of SMEs that are important in any discussion about human resource development in SMEs. First, one key characteristic is the

importance of *owner-managers* because they determine the strategic direction for the whole company and thus the appropriateness of training and development (see Hornsby & Kuratko 1990). A second feature is that training and development in SMEs are often *ad hoc*, occurring in the course of normal routines. The third characteristic is the prevalence of a *short-term perspective*. Similarly, De Kok (2002) presents a list regarding the reasons why small firms spend less on formal training. First, the training may be too expensive, including the lack of financial *resources* as well as the higher cost compared to larger firms and the opportunity costs being relatively high for small firms regarding the absence of individual employees. Secondly, the *short time horizon* (cf. Kerr & McDougall 1999) makes it less attractive to invest in training. Third, training *may increase the outflow* of employees. Finally, according to De Kok (2002), smaller firms have a more limited capacity for the acquisition of information. Moreover, Westhead and Storey (1996) present a similar kind of list asking why small firms buy less management training than large firms. The reasons for this are: (1) the real price is higher in small firms, (2) small firms are more financially constrained, (3) greater uncertainty means a short-time view, (4) absence of an internal labour-market, (5) training perceived is not appropriate, (6) the scale economies for trainers in dealing with large firms.

Despite the fact that there are special features in SMEs regarding human resource management and development (e.g. time horizon, lack of resources etc.), Hill and Stewart (2000) pointed out that each SME is *unique* in its composition and culture and therefore a small organisation's model of HRD will be unique, too. This is the feature we want to share in this research: each SME is unique and, thus, it is important to reach the uniqueness and pass the "problem-based" view – not forgetting it but, rather, to reach the individual employees. As Tyson (1995: 55) states: "One of the main gaps in human resource management [later HRM] research is the absence of data on what people who actually experience HRM policies think or feel about them." Furthermore, the lack of information about human resources in SMEs is problematic for theory, research and practice and a greater understanding of personnel management in smaller firms is needed (e.g. Heneman et al. 2000; Hornsby et al. 1990).

In sum, there is a need for deeper understanding of the strategic human resource and strategic human resource development in SMEs, firstly, because the employment in the SME sector is important for the dynamic economy, secondly, because there is a lack of studies concentrating on human resource in SMEs and, thirdly, because the research can reduce the gap between the practitioners' concerns as the lack of skilled employees as the number one concern of SMEs in the European Union (European Commission 2002b) and current academic research (e.g. Heneman et al. 2000: 12).

1.2. The Importance of the Talk in SMEs

~~Language and talk comprise a major part of organisational life (Alvesson 1994; Alvesson & Karreman 2000a; see Pfeffer 1994: 109–112), and thus talk has practical consequences for the members of the organisation (see Eriksson & Lehtimäki 1998; Lehtimäki 2000; Barry & Elmes 1997). However, language is easily taken for granted if we do not see it as a medium for action but merely just as a code for communication (Potter & Wetherell 1987: 9-10). In order to illustrate this, let us take an example. The following discussion is a part of the interview during which the researcher interviewed a 50-year-old manager in an SME regarding the content of the work and his development:~~

Researcher: So, your job description is quite wide – In your opinion, what is the best part in your work?

Key Employee: Uh, what is the best part in my work in general [pause]. I don't have that anymore [pause]. I'm of that age already that I don't have any particular dreams or visions for my work anymore. There is the everyday realism [pause]. The best thing is that you can come here every day

The previous sample illustrates how the talk is not just a code for communication. As we can see 'age' is taken for granted as a factor which affects the work and the working environment. We can just assume what kind of consequences this kind of talk will bring in the company and especially for the key employee³ himself. Moreover, this particular key

³ The concept of 'key employee' will be defined later in this research (Chapter 2).

employee will work still at least ten years before his retirement and has eighteen subordinates and is a member of the management team in the company.

The following sample illustrates that the other employee – a Chief in Financing in her 50's – in the same firm does not see age as an obstacle for her development but merely wonders why it is a strong obstacle for her subordinates:

Researcher: So the experience is also needed here?

Key Employee B: Yes some kind of. There is no doubt we need to have new blood in order to get innovativeness so that not all are over fifty years old and have got stuck to the old routine and do all things as they have been done earlier and if you try something new it does not succeed. But I have thought ~~that uh I am of that age too... that which makes the people over fifty become~~ as they are... that you can't get anything out of them... and I am almost hysterical that I will keep my knowledge up to date...

As the above examples illustrate, these persons working in the same firm have created their own interpretations of the reality in the company. According to the 50-year-old manager his age is a strong obstacle to the development and we can hear some tiredness and lack of motivation in his voice. On the contrary, the Chief in Financing says that precisely because of the age you have to develop yourself. Therefore, she wonders why the employees of the same age do not develop themselves. Thus, it can be said that these two key employees have created individual interpretative realities in which age is a determinant affecting the development of the human resource.

Furthermore, sometimes the interpretative reality may direct the thinking so strongly that even the actions which are needed will not be done. In the next sample, the key employee is so fixed to his discourse in which the firm is in its start-up phase and, thus, any self-development is impossible due to the critical situation. So, he doesn't develop himself at all and the aim is to ensure the development of his subordinates. However, suddenly, he notices that the same situation has continued already almost three years and something should be done.

Key Employee: *I try to take care that my team has money for training purposes and that every one has the possibility to develop himself but because of the firm's current situation I have not had any kind of development. [a moment later] but, uh, we were in the same situation already three years ago [laughing]*

1.3. The Research Objectives and Research Setting

As we saw at the beginning of this dissertation, it seems that even in a same firm there are radical differences regarding the interpretations of human resource development in the SME context. For example, for a key employee 'age' was a strong obstacle to the development and, controversially, according to another key employee it was a strong reason to keep ~~the knowledge and skills updated. Thus, their interpretations, which were constructed in~~ social interaction, affected the consequences for the human resource development. Furthermore, we explored that there are a number of studies and surveys listing the obstacles to human resource development in the SME sector. Thus, it seems that the research aiming at listing the obstacles provides a too simplistic picture of the human resource development in the SME context and it seems that the reality is more complex if it is seen from the key employee level. Therefore, this research focuses on strategic human resource development in SMEs and a precise research question will read as follows: *Is there a role of strategic human resource development in the SME context?*

As we are especially interested in identifying the strategically most important human resource, the scope will be limited to the key employees in the firm in order to solve the mystery of this variation regarding human resource development. Thus, the qualitative research will provide the appropriate means in order to understand the complex phenomenon of strategic human resource development in SMEs. Consequently, this research seeks to contribute to the research on human resource development in SMEs by introducing a framework for the identification of the strategically most important human resource in firms. *Therefore, the first objective of the research is to clarify the widely used, but at the moment ambiguous and vague concept of 'key employee'.* As the resource-based theory concentrates on the strategic resources as a means to sustainable competitive advantage, it will form the theoretical framework for the development of the concept of 'key employee'

as well as a frame for the identification. *Thus, the second objective of this research is to revise and further develop the previous models for the identification of the strategically most important resources – in this research especially the key employees.*

Methodologically the discourse analysis⁴ provides a means to understand how social reality is constructed and maintained. Thus, the talk of the key employees is not regarded as a description of the reality but rather the talk forms the interpretative reality of the key employee in a social interaction (see Potter & Wetherell 1987). Consequently, the analysis of the talk will provide a means to understand the discursive world (i.e. the interpretative reality) of key employees (see Figure 1) and, finally, to properly understand the human resource development as a complex and, especially, social phenomenon in the SMEs.

Thus, the third objective of the research is to analyse the individual key employees' discursive worlds in order to understand the internal discursive variation in the firms and, thus, the consequences affecting SHRD.

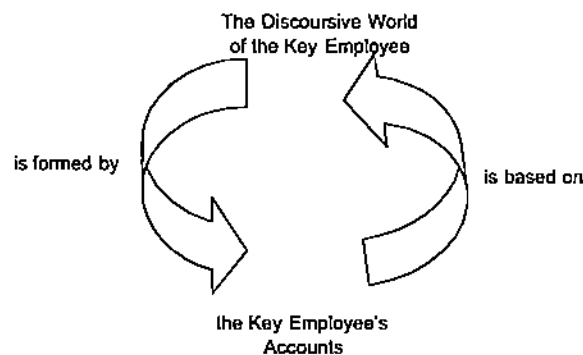


Figure 1. The framework for the discourse analysis (modified Jokinen, Juhila & Suoninen 1999: 21).

In this research the human resource development will be the phenomenon around which the key employees' discursive worlds are constructed. Thus, the human resource development will be seen as *an integrated and holistic approach to changing work-related behaviour, using a range of learning techniques and strategies.* (Megginson, Joy-Matthews & Banfield

⁴ The methodology will be presented later in Chapter 3.

1993). In addition, the human resource development is seen as a *dynamically changing* and strategically important phenomenon, and thus the deeper understanding of its complex nature in SMEs will contribute to the training organisations as well as the SMEs in their efforts to develop the human resource. In particular, in this research the strategic role of HRD will be emphasised and, therefore, both the concepts HRD and SHRD will be used in this research. The concept of 'HRD' is used in order to emphasise the learning techniques and strategies and, the concept 'SHRD' is used in order to highlight the linkage between HRD and business strategy. *Thus, the fourth objective of the research is to broaden the picture of SHRD in SME-context by using the results of the discourse analysis.*

The research process can be illustrated as *a continuum*. First, the overall picture of SHRD in an SME-context is created according to the previous literature. Thus, the overall picture will form the ideal picture regarding the role of SHRD in the SME sector. Second, the resource-based view in the firm will form the basis for the clarification of the concept 'key employee' and for the revision of the identification framework. Third, the identified key employees' discourses and their interpretations of the reality regarding the development of human resources will be analysed. Then, the conclusions will be made according to the key employees' discourses and, finally, the picture of SHRD in SME sector will be broadened. The research process is presented in Figure 2.

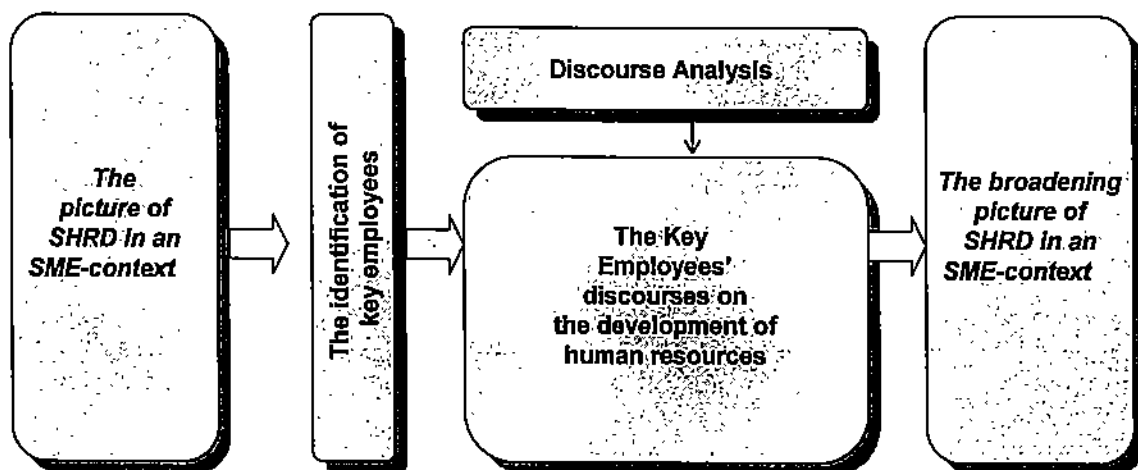


Figure 2. The research process.

As the research question is what is the role of SHRD in the SME-context, it is worth emphasising that the aim of this dissertation is not to study the linkage between strategy and HRD in the SME-context *as such* but to enrich this discussion by focusing on the key employees' point of view and on the socially created reality. Thus, *epistemologically* this dissertation is located in *social constructionism* (Schwandt 1994; Gergen 1994; Burr 1995; Parker 1998; Jokinen, Juhila & Suoninen 1999: 39–41). In addition, from the structural point of view of this dissertation, the overall picture of SHRD in an SME-context is seen *as a cultural context or frame* (see Jokinen, Juhila, Suoninen 1999: 60–62). However, this frame does not exist *a priori*, but rather, it is open to different interpretations and, thus, to be modified and broadened. Moreover, as the rationale of social constructivism is that the reality is created by **individuals** in social interaction (e.g. Schwandt 1994), the ~~identification framework of these individuals (i.e. key employees) will be revised.~~

Moreover, methodologically discourse analyses has its theoretical base in social constructionism⁵ and thus, from the epistemological point of view the **structure of the research** can be seen as a **continuum** in which, first, the '*cultural*' context is presented, second, the individuals are identified and, third, the socially constructed interpretations will be analysed strictly on a content base and, finally, the conclusions are drawn.

1.4. The Outline of the Research

This dissertation consists of five chapters which follow the sequential logic of the research process. In the first chapter, the main themes as well as the research objectives and setting will be introduced. In Chapter 2 the overall picture of strategic human resource development in an SME-context will be formed as well as the concept of 'key employee' will be defined. In addition, in the same chapter, the revised framework for the identification of key employees will be formed.

⁵ We will return to social constructionism in Chapter 3.

Then in Chapter 3 the focus will be turned to the importance of the talk in organisations by presenting the discourse analysis as a methodology of the research. Moreover, the discourse analytic research process as well as the questions regarding credibility and generalisation will be discussed. In Chapter 4 the identification framework of key employees will be applied in two firms and each key employee's discursive worlds will be analysed. Finally, the conclusions regarding the discourses in the firm will be discussed. Next, in Chapter 5, the conclusions of the research will be drawn.

2. THE STRATEGIC HUMAN RESOURCE DEVELOPMENT AND THE KEY EMPLOYEES IN SMES

In this chapter we will build the overall picture of strategic human resource development in the SME sector. In order to generate the picture we will first discuss human resource development in its wider theoretical context i.e. human resource management and secondly, we will shift the focus towards strategic development of human resource in SMEs. After that, we will shift the focus to the strategic human resource and to the clarification of the concept of key employee. Accordingly, the resource-based theory will be seen as an appropriate angle of human resource development for the identification of strategic human resource – i.e. the key employees.

2.1. The Human Resource Management and Development in SMEs

During the 1980's there was a shift in vocabulary from 'personnel management' to 'human resource management' (HRM) made by academic researchers as well as human resource practitioners (Beaumont 1993: 1–4; 5–7; Legge 1995a: 62–63; Beardwell and Holden 1997). Traditionally two models of HRM – 'hard' and 'soft' – have been identified (Legge 1995a: 66–67). The 'hard' model of human resource management research emphasises the close integration of human resource management and business strategy and sees the human resource merely as a passive input. In contrast, even though the 'soft' model also emphasises the strategic linkage, it treats employees as proactive and valued assets and a source of competitive advantage through commitment and ability (Legge 1995a: 62–69; see Legge 1995b: 34–36).

Moreover, the prior research has viewed human resource management and development from **several angles** (Legge 1995a). Especially, in large organisations the angle has been on the human resource *profession or function* (Sisson 1995: 87–10). Also, a number of researchers have emphasised the importance of the *line management* in HRM issues (e.g. Beaumont 1993). Moreover, *the key practice areas* of HRM have been the perspective of several researchers (Rothwell 1995: 167–203; Iles and Salaman 1995: 203–233; Ashton

and Felstead 1995: 234–243). HRM as *discourse and rhetoric* has been one of the angles (Legge 1995a: 312-325; see Peltonen 2001: 55-75). In addition to this, the research on *power and HRM* has been closely linked to the discourse and rhetoric angle of HRM (Peltonen 2003; Ulrich 1997).

Furthermore, the *linkage between strategy* and HRM and/or HRD has been one of the angles of the prior mainstream literature (Armstrong 1993; Fombrun, Tichy and Devanna 1984; Routamaa 1991). To the strategic approach of the HRM research *the resource-based view*⁶ of the firm has provided the possibility of linking the concepts of strategic resources and sustained competitive advantage to HRM (Boxall and Purcell 2003; Storey 1995). From the organisational point of view the strategic human resource management has been ~~seen also from the angle of cultural change (Meek 1992; Thompson 1992; Schein 1992).~~

As HRM research has mainly focused on larger companies one of the mainstream angles has been HRM in *international and global companies* (Brewster 1995; Scullion 1995).

Tansky and Heneman (2003: 299–302) argue that very few of the existing studies of human resource management apply to SMEs and, thus, there is the need for HRM research in SME-context (see Katz, Aldrich, Welbourne and Williams 2000). Similarly, it can be argued that not all above-mentioned angles of HRM/HRD are applicable in an SME-context, e.g. due to the underdeveloped HR function (Tansky and Heneman 2003: 299–302). As there is a lack of HR function or specialists in SMEs, the role of owners and line managers becomes strategic on HRM issues (e.g. Hornsby and Kuratko 1990: 9–19; Vesalainen and Routamaa 1992: 273–291) and, thus, even the founders themselves have recently seen HRM decisions as very important to the growth of their enterprises (Heneman, Tansky and Camp 2000). Consequently, in this dissertation the angle of vision will be the strategic approach of human resource management and more specifically strategic human resource development (SHRD). Moreover, we argue that not only the owners or line managers, but rather **all key employees** in a firm are in a strategic role in regard to human resource development and, thus, their identification and the knowledge

⁶ We will return to resource-based view in more detail in the sub-Chapter 2.3.

regarding their socially constructed interpretations of SHRD are essential for the research field.

2.2. The Overall Picture of Strategic Human Resource Development in SMEs

In this sub-Chapter we will first discuss the roles of the employees in SMEs in general and the need for the development of the human resource in particular. Then the human resource development is connected to the life-cycle and career models of the firm. Finally, the overall picture of SHRD in SMEs will be completed.

The employees in SMEs act in several different roles. They act as owners, entrepreneurs,

as sources of skill and expertise, as collaborators, as participants in network and learning activities and as agents of their own career, all of which have a particular flavour in SME-setting. The employees are the actors through whom the strategy unfolds and as a result of which the firms succeed or fail. First, the role of the entrepreneur (owner-manager) or entrepreneurial chief executives, or even the role of the management team is one of the most important roles in regard to the strategic management. Second, the employees are fundamental sources of the skills and expertise or 'human capital'. Third, the employees are prospective collaborators in the pursuit of a firm's goals. Fourth, as participants in network and learning activities the employees communicate across firms and achieve the newest knowledge. Fifth, as agents of their own career, the employees in SMEs are called on to drop their dependence on particular jobs and hierarchies and the career goals of their own. These different roles of employees point to a fundamental criticism of small firm studies because the workforce in smaller firms has been comparatively neglected in small firm studies. (Hendry, Arthur & Jones 1995: 10–21.)

Solely in Europe there are over 80 million people working in SMES in their different roles named by Hendry et al. (1995: 10–21). They are doing their daily duties – developing and selling new products and services, working on financial matters, working in offices, shops, workshops etc. This human resource **needs to be developed** because highly motivated staff with effective transferable skills is more likely to be able to meet the demands of the fast-

changing working environment which is typically associated with small business (Kerr et al. 1999). Moreover, human resource development described as an area which encompasses activities and processes which are intended to have an impact on organisational and individual learning, has much to offer to SMEs because of the emphasis on integrating training and development activities into key business decisions and activities (Kerr et al. 1999).

In addition, as the employees are the agents of their own career, the important issue is the **retention** of the human resource – especially retention of the strategically most important resource (defined as key employees later on in this dissertation). Kaye and Jordan-Evans (2001) emphasized this issue by saying: *“Retaining key employees is a number-one problem...We believe that the key role of human resource development is to lead in the ~~talent war on behalf of their organisations.”~~ Actually, the question of retaining the ‘best*

employees’, ‘key people’, ‘the rising stars’, ‘crucial workers’, ‘key executives’ etc. has been prevailing in previous research as well as in management journals (see Barret 1999; Olalla Forsas 1999; Schoebridge 2000; Mitchell, Holtom, Lee, & Graske 2001; Olearcek 2001; Sääntti 2002). The importance of retaining key employees is closely linked to the global competition of talented persons as a driving force of competitiveness and productivity of the firms. The hard competition of talented employees is referred to “skill wars” or “talent war” in order to highlight the prevailing challenge of companies (e.g. Collis & Montgomery 1995; Gordon 2000; Schoebridge 2000). In spite of the common interest in retaining the key employees and diminishing the risks of voluntary turnover, even the managers as a special group of human resource have been largely overlooked in the studies of small firms (see Hendry et al. 1995:160-161). However, as we saw above, the previous research does not provide a uniform concept for the term ‘key employee’ but, rather, the concept has been taken for granted and, thus, it has become ambiguous. Therefore, the conceptualisation of the term will be discussed later in this dissertation.

In addition, the research on **life-cycle models** for firms (see Churchill & Lewis 1983; Greiner 1998; Koskinen 1996) together with the research on **strategic human resource management/development** provides a view on how the development of human resources is one of the means to ensure the survival of the firm in different phases of the life-cycle

(e.g. Schuler 1989; see also Beaumont 1994: 26). In their model Churchill and Lewis (1983) provide a holistic view of the life-cycle of the firm (Figure 3). First, during the *existence* phase the firm's strategy is to survive and the ability of the owner-manager is crucial. Secondly, during the *survival* phase the organisation remains simple and, still, the strategy is to survive. In this stage, there are already employees under the supervision of the owner who remain synonymous with the business. Thirdly, during the *success* phase the strategic decisions regarding the future will be made whether to exploit or keep the firm stable. In this phase the firm has grown large enough to require competent managers and, thus, the role of the owner should be changed. Fourth, during the *take off* stage the business is growing and the role of other personnel becomes more and more important in regard to the owner. Finally, in the *resource maturity* phase the management is decentralised and the challenge is to preserve its entrepreneurial spirit.

In their model Churchill and Lewis (1983: 40-42) state eight key success factors of which *five* relate to the owner or to human resource: (1) personnel resources, (2) owner's goals for himself and business, (3) owner's operational abilities, (4) owner's managerial ability and (5) owner's strategic ability. The main conclusion of Churchill and Lewis's research (1983) was that the importance of each key success factor varies according to the different phases in the life-cycle (see Figure 3). Similarly, Greiner (1998) divides in his seminal research the life-cycle into five phases and each phase ends with a crisis (leadership, autonomy, control, 'red tape') which requires changes in operations and in management. Moreover, Tyson (1995: 137-140) compared several studies regarding HRM and growth by linking them to Greiner's life-cycle model and drew the conclusion that the role of HRM has to be changed in each phase of the life-cycle in order to resolve the organisational crisis and to reinterpret the reality to organisation members. In addition, Schuler (1989) combined the five life-cycle stages into three and applied corresponding human resource activities to each stage: (1) the entrepreneurial/growth stage and attraction and retention of technical talent, (2) the mature/decline stage and extensive training and the challenge of attraction and retention of capable employees and (3) the turn-around stage and the survival strategy with enhanced product quality. Even if the life-cycle models have been criticized for being normative and approximate for the small firms and, thus, the models do not pay enough attention to the uniqueness of small firms, the life-cycle models provide a useful frame to understand the

essential contingencies that should be taken into account in human resource management and development decision making (see Routamaa 1991: 243; Koskinen 1996: 51).

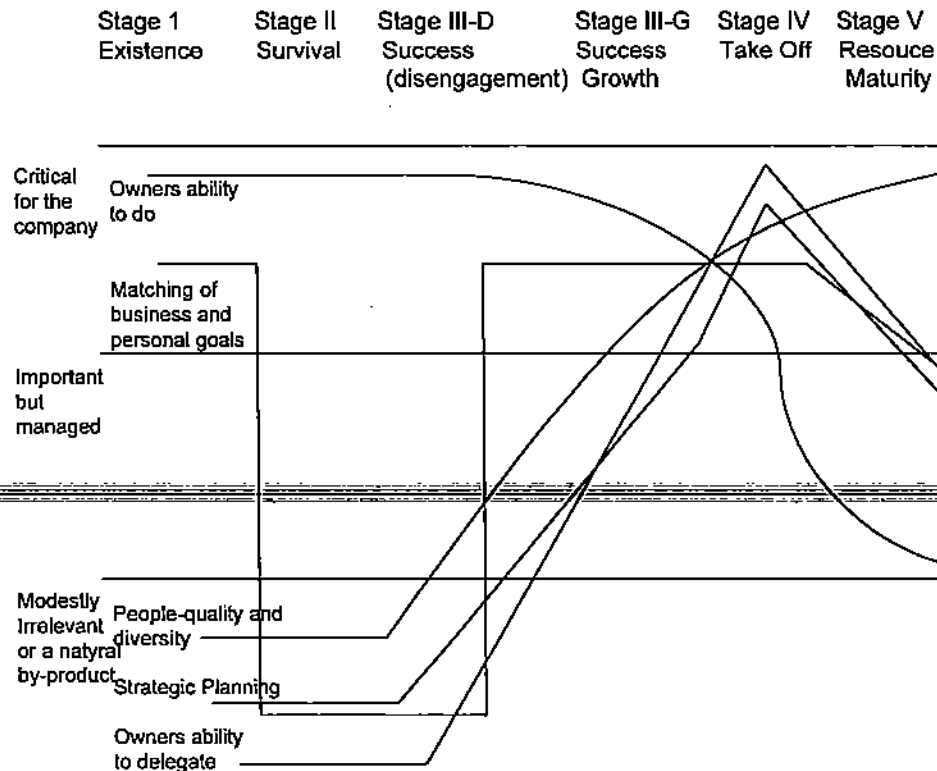


Figure 3. The life-cycle model and five key management factors (modified Churchill and Lewis 1983: 42).

Despite the life-cycle models at firm-level, the understanding of an **individual employee's life-cycles and/or career paths** have been seen as important for the continuous maintenance and development of human resource (Hall 1984: 173-177; Odiome 1984; Lähteenmäki 1995: 13-18; Boxall & Purcell 2003: 158-159; 3-31). Hall (1984: 173-174) explores a congruence between personal and organisational life stages (e.g. young organisation – young employees) and, actually, encourages organisations to create strategic *misfits* (e.g. at the mature stage new employees are needed). Moreover, Hall (1984: 175-176) presents a set of development possibilities for different career stages (i.e. establishment, mid-career and later career) of individual employees.

Similarly, Odiome (1984: 61-62) divides the human resource life cycle into four stages (start-up, growth, maturity, decline) according to the profitable contribution of the

employee, and provides a human resource portfolio⁷ with four categories of employees ('workhorse', 'star', 'deadwood', 'problem employees') according to the employee's potential and performance (Figure 4). In his model, workhorse is a person who has reached a high peak of performance but has definitely limited potential whereas 'problem employee' is the counterpart: having much potential which is not fully used (Odiome 1984: 66–67). Moreover, 'deadwood' refers to people whose performance and potential are both low whereas 'stars' are people who are performing at the highest level of potential (Odiome 1984: 66–67). Lähteenmäki (1995: 338–346) further developed the matrix and provided possible transfer paths for the employees. Actually, the rotation from different career categories is seen as natural and continuous and, thus, the aim in the firm is to minimise the number of 'dogs' (cf. deadwood) (Lähteenmäki 1995: 338–346). According to Lähteenmäki (1995: 338–346) 'question marks' are key employees who are starting their career whereas 'cows' role can be e.g. the role of mentor. Thus, in both models, 'stars' are the employees who represent the strategically central role in the firm.

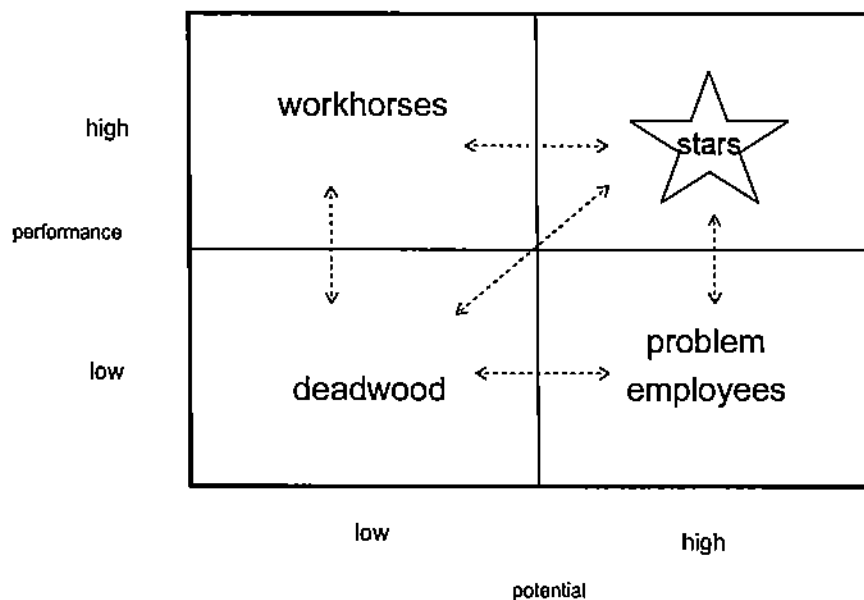


Figure 4. The HRM portfolio and the roles and potential career paths (modified Odiome 1984: 65–67; cf. Lähteenmäki 1995: 339).

⁷ Actually, Odiome modified the two by two matrix (usually called 'the grid') originally developed by the Boston Consulting Group for the analysis of market growth relationships (Odiome 1984: 44–47).

The human resource development in SMEs is an element through which the employees are able to unfold the strategy and, thus, the concept of **strategic human resource development** [later SHRD] is useful in the SME context, too. As Hall (1984: 159) defines it: "*Strategic human resource development is the identification of needed skills and active management of employee learning for the long-range future in relation to explicit⁸ corporate and business strategies.*" (cf. Kerr et al. 1999: 68; see Legge 1995b). The future orientation and the proactive nature of SHRD are included in the wider perspective provided by Rothwell and Kazanas (1989: 2, 16). In their concept the stakeholders as well as groups inside the firm are included in order to change the organisation through planned learning. Luoma (2000: 53–70) analysed the field of SHRD research and presented three approaches which link HRD with strategy: (1) *the need-driven approach* is linked to the ~~developmental needs that are internal to the organisation and, thus, the HRD helps to fill~~ the 'gaps' between the strategy and performance, (2) *the opportunity-driven approach* has an interest in the outer world and provides interventions and techniques as a catalyst for organisational development, and (3) *the capability-driven approach*⁹ sees the internal capabilities (as a combination of several skills and abilities) as a source of competitive advantage and, thus, HRD works in the process of making strategy happen.

The frame created by Luoma (2000: 63) enables us to broaden the horizon on SHRD from the traditional 'fill the gap' approach to the search for the competitive advantage and, however, emphasising that all the approaches should be taken into account in order to find the optimal way for the human resource development. Moreover, two of the above mentioned approaches of human resource development can be explored by looking at the different approaches: the first and second approaches concentrate mainly on the development of *the individual employee's* competencies whereas the third approach emphasises the development of *organisational level capabilities*. Thus, the **learning on**

⁸ Because the formality of strategic planning is unusual in SMEs, in this research the 'explicit' strategy is used as an analogy to the possibility of finding the strategy in the important choices of managers and staff of the firm regarding what to do and how to do it (see Boxall & Purcell 2003: 28).

⁹ The approach is closely linked to the resource-based theory of the firm which is discussed in more detail in the following chapters of this dissertation.

both levels¹⁰ becomes essential for the acquisition of needed competencies in order to both plan and execute the firm's strategy (see Routamaa 1991: 247; Keep 1993: 109–125; Hendry et al. 1995: 14,138–199; Nonaka & Takeuchi 1995; Nonaka 1996: 18–31; Kolb 1996: 270–287; Boxall & Purcell 2003: 78–88). Thus, the central role of SHRD as a means to facilitate both individual and organisational (i.e. firm level) learning as well as the strategy planning and execution are illustrated in Figure 5. Moreover, the life-cycle and portfolio models are integrated in the figure as contextual factors affecting the human resource development both at individual and at firm levels. As mentioned in Chapter 1.3 this overall picture of SHRD in SME context (i.e. Figure 5) will form the cultural frame in which the reality will be socially constructed. Therefore, we will return to this picture at the end of the research in order to draw the conclusions and broaden the picture.

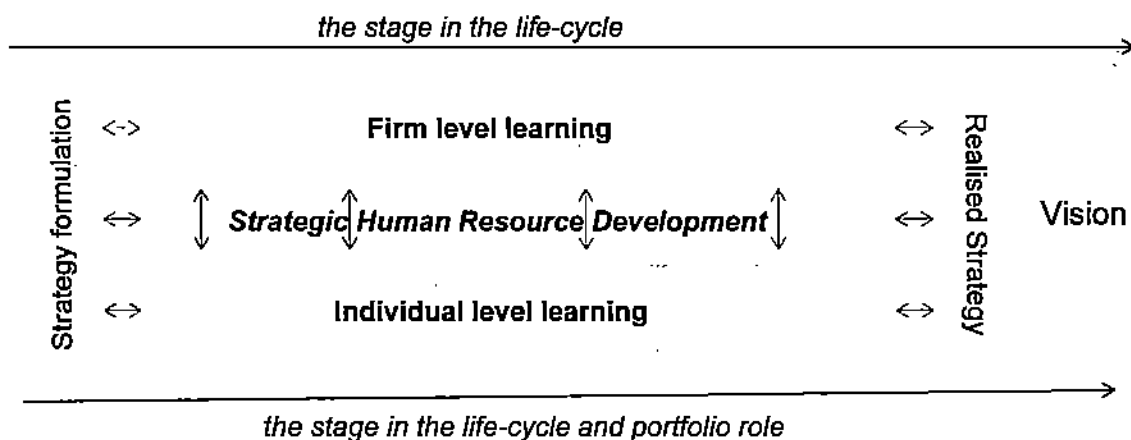


Figure 5. The Central Role of SHRD in the SME context.

2.3. The Key Employees as Strategic Human Resource

In this sub-Chapter we will develop and modify the framework for the identification of key employees. Thus, the literature regarding the resource-based view (RBV) will be reviewed

¹⁰ Especially the seminal research of Senge (1992; 1996), Kolb (1996) and Nonaka and Takeuchi (1995) have embedded the concepts of 'learning organisation', 'organisational learning' and 'knowledge management' into an integral part of present HRD research and practice.

in order to create a robust base for the conceptualisation of 'key employee'. Therefore, in this dissertation the resource-based view is seen as an appropriate angle of the human resource management research providing the theoretical base for the identification for several reasons. The resource-based view focuses on the strategic resources to be the potential source of sustained competitive advantage without neglecting the importance of business environment or external resources. In fact, the internal and external perspectives are in close interaction because, actually, the strategic human resource inside the firm is in a position to make the strategic decisions regarding the business environment (e.g. competitive strategy, resource allocation, strategic alliances and networking). Thus, in this research, the strategic human resource, especially, is seen to be the main source for the links between the internal and the external environment of an SME.

Secondly, the resource-based view provides us with the attributes of strategic resources. These attributes have contributed a number of studies focusing on strategic resources dating back to Edith Penrose's (Penrose 1995) seminal research in the year 1959. Thus, these attributes together with Jay Barney's prior framework (Barney 1994b) provide us with the base for the further development and revision. In addition, RBV has provided a robust base for research on strategic human resource management and development by emphasising the importance of human resource and, thus, highlighting the necessity to constantly develop the resource-base of the firm. Actually, the continuous development of resources is embedded in the concept of *sustained competitive advantage* of RBV. This term 'sustained' is often misunderstood to be analogous with the term 'long lasting'. However, as we will see later in this chapter, constant development of the resources is needed in order to maintain the firm's vitality.

2.3.1. The Resource-Based View of the Firm

The resource-based theory is usually traced to Edith Penrose's in 1959 published book "The theory of the growth of the firm" in which she defined the business firm as both "*an administrative organisation and a collection of productive resources*". Penrose argues the

traditional “theory of firm” by saying in her foreword to the third edition of the book (Penrose 1995):

“Few economists thought it necessary to enquire what happened inside the firm – and indeed their ‘firm’ had no ‘insides’ so to speak...I wanted to answer...was whether there was something inherent in the very nature of any firm that both promoted its growth and necessarily limited its rate of growth. Clearly, a definition of a firm with ‘insides’ was required.”

Moreover, Penrose (1995) continued by memorising the momentum in the 1950’s as the analyses of the growth of the industrial firms were made:

“The economic function of such firm was assumed simply to be that of acquiring and organizing human and other resources in order profitably to supply goods and services to market. It was defined, therefore, as a collection of resources bound together in an administrative framework, the boundaries of which are determined by the ‘area of administrative coordination’ and ‘authoritative’ communication...”

As we can see, Edith Penrose laid the foundation for the forthcoming resource-based theory of the firm by looking ‘inside’ the firm and by understanding the importance of the firm’s resources, e.g. by writing about the competence of managers and the role of management teams (Penrose 1995: 33, 45–49). It can be said the Penrose was about 30 years ahead of the mainstream of strategic management theory. Then, Birger Wernerfelt (1984) brought the seminal work of Penrose again to the mainstream of strategic management theory in his article ‘A Resource-based View of the Firm’ published in the Strategic Management Journal. Wernerfelt (1984) explored in his study the usefulness of analysing firms from the resource side rather than from the product side and, thus, started the explosion¹¹ of interest in resource-based perspective (see Boxall 2003: 72–73).

Ever since the seminal article of Wernerfelt was published, researches of the resource-based theory (often expressed as “resource-based view”) have emphasised the importance of the internal resources of the firm as the major determinant of the success factor (see Barney

¹¹ e.g. in 1994 ‘Advances in Strategic Management’ published a special issue (VOL 10) on Resource-Based View of the Firm.

1991b; Peteraf 1993; Conner 1991; Miller and Shamsie 1996; Castanias & Helfat 1991; Grant 1991). Thus, in this research both terms resource-based view and resource-based theory will be used as synonyms. In contrast to the environmental models (see Figure 6) of competitive advantage the resource-based view assumes that the resources of the firm can be *sources of competitive advantage*. Moreover, it is assumed that the resources are heterogeneously distributed among the firms (i.e. there are different resources in different firms) and that the resources are *imperfectly mobile* (i.e. that *not all* resources are purchasable in the market) (Barney 1991b: 99). Thus, the Resource-based view suggests that firms sustain competitive advantage by implementing strategies that exploit their internal strengths through responding to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses (Barney 1991b: 99–101).

Actually, the **'artificial' separation** of internal resources and competitive environment has been a topic of critical debate regarding resource-based theory (see Priem & Butler 2001; McWilliams & Smart 1995). However, according to Barney (1986: 1231; see Barney 2001) the firms can develop the future value of their strategic resources by analysing the competitive environment or by analysing skills and capabilities they already control (Figure 6). In regard to the sustained competitive advantage Barney (1986: 1239) ends up by saying: *"While firms cannot obtain systematic expectational advantages from an analysis of the competitive characteristics of their environment, it may be possible, under certain conditions, to obtain such advantages by turning inwardly and analyzing information about the assets a firm already controls."* In other words, in the firms seeking greater than normal economic performance, the strategic choices should be mainly based on the analysis of the unique skills and capabilities rather than on the analysis of competitive environment. This is due to the possibility of all competitors of gaining the same information from the environment whereas the information regarding the unique resources is only available to the firm possessing the resources. Moreover, resource-based theory has been criticised for being a relatively static concept making the managers relatively unimportant (McWilliams & Smart 1995). However, as a response to the criticism Barney (2001) states that dynamic analysis (having both equilibrium and evolutionary approaches) has been applied to resource-based contexts, but, especially equilibrium analysis has been sometimes misunderstood to be static in nature. Moreover, the analysis of a firm's resources may result in

being consistent with several different strategic options (even creative and entrepreneurial) and, thus, the role of management (being a strategic resource *per se*, too) becomes essential (see Barney 2001).

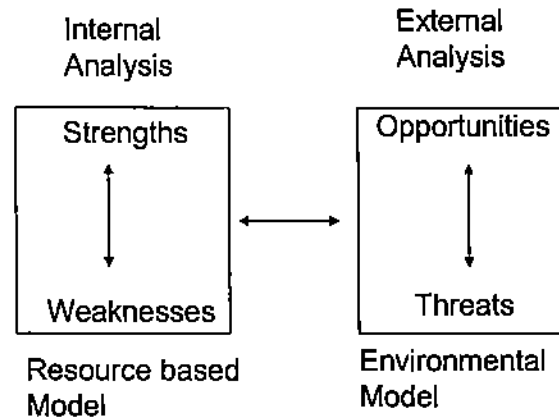


Figure 6. The Resource-based model and environmental models of competitive advantage (Barney 1991b: 110).

As the concern of Resource-based theorists has been to explain the sources of competitive advantage, a number of studies in this perspective generally have focused on the characteristics of firm resources that can contribute to a sustainable competitive advantage (see Barney 1991a; Brumagim 1994; Wernerfelt 1984; Dierickx & Cool 1989; Fladmoe-Lindqvist & Tallman 1994). Also, there has been a tendency to concentrate on the human resources¹² (including competencies and capabilities) as a potential source of sustained competitive advantage (see Lado & Wilson 1994; Leonard-Barton 1992; Wright, McMahan & McWilliams 1994; Russell 1997; Amit & Belcourt 1999; Boxall 1996; Boxall & Purcell 2003).

As the understanding of sources of sustained competitive advantage is the core of the resource-based view, it is necessary to take a closer look at the concept '**sustained competitive advantage**'. A firm is said to have a sustained competitive advantage when it is implementing a *value creating strategy* not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the

¹² cf. the capability-driven approach of SHRD (Luoma 2000).

benefits of this strategy (Barney 1991b: 102). In addition, Barney (1994a: 119–120) specifies the definition in her commentary article on Brumagin's (1994) article 'A Hierarchy of Corporate Resources'. In her commentary she emphasized that there has been a common misunderstanding in previous research maintaining that the term 'sustained' is analogous to the meaning of 'long lasting'. Thus, Barney (1994a: 119–120) clarifies: "*In my work, a sustained competitive advantage is not an advantage that lasts a long time, but is an advantage that other firms find too costly to imitate*". By clarifying the concept Barney (1991b) simultaneously constructs the basis for the **continuous need for the development** of strategic resources by answering the question "Do sustained competitive advantages create lazy managers?" by arguing: "...managers seeking additional above normal economic profits ¹³[and therefore sustained competitive advantage as a means to ~~achieve it, added by the researcher] must constantly seek new ways of generating greater~~ than expected value from their resources and capabilities."

According to Wernerfelt (1984: 172) a resource refers to anything that could be thought of as a strength or weakness of a given firm. Barney (1991a: 101) cites Daft (1983) and defines the resources as including all assets, capabilities, organisational processes, firm attributes, information, knowledge etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness. However, some researchers (see Grant 1991; Hall 1993 and Rangone 1999: 234 providing a review of definitions) introduce a distinction between the *assets and competencies*; *assets* as being something that the firm possesses and *capabilities, competencies and skills* as being something that the firm is able to do.

In order to simplify the exposition of the concepts many researchers often use only the term "resource" as a shorthand for "resources and capabilities" or for "resources, capabilities and competencies" (see Schultze 1994: 130). Similarly, in this research the term resource is

¹³ The above normal profit is achieved by the superior performance which depends on the ability of firms to generate higher level performance than what was expected by the original owners of those resources and capabilities. Resource-based theory predicts a positive relationship between sustained competitive advantage and superior performance (Barney 1994a: 116-123)

used as a shorthand to express the definitions made by Wernerfelt (1984: 172) and Daft (1983 cited by Barney 1991b: 101).

The most common classification of resources has been the following (see Barney 1991b: 101):

1. ***Physical resources***
e.g. physical technology, firm's plant and equipment, geographic location
2. ***Human resources***
e.g. training, experience, intelligence, relationships, the insights of the managers and workers in a firm
3. ***Organisational resources***
e.g. the firm's formal reporting structure, formal and informal planning, controlling and coordinating system, informal relations among groups within a firm etc.

Also, other classifications of resources are introduced in the field. For example, Grant (1991: 119) states that the classification of a firm's resources provides a useful starting point for the managers of the firm to analyse the resource base of the firm. He presents six categories: (1) financial, (2) physical, (3) human, (4) technological, (5) reputation and (6) organisational resources. A widely used classification is also the division of resources into tangibles (e.g. physical, technological resources) and intangibles or invisible resources (e.g. organisation, knowledge and skills, patents) (see Hall 1993; Conner 1991: 137). Human and organisational resources are the most difficult to imitate and, therefore, they are more appropriately associated with competitive advantages and superior firm performance (Barney 1991a; 1991b). On the other hand, a human resource is highly mobile and, thus, least predictable and controllable (Smart & Hitt 1994: 181).

The resource-based theory has not been interested in all the resources of the firm because not all aspects of physical, human and organisational resources are *strategically* relevant (Barney 1991b: 102). Thus, the field of research focuses only on strategically critical resources, i.e. those that are the basis of the company's sustainable competitive advantage (see Rangone 1999: 234). In this respect it can be said that in the category of human resources not all resources are strategically relevant and, thus, by using these assumptions, it can be said that it is relevant to find the strategically most important human resources i.e. the key employees in the firm (see Russell 1997; Amit & Belcourt 1999).

2.3.2. The Attributes of Strategic Resources

The resource-based theory assumes that the firm's resources must have four attributes in order to be sources of sustained competitive advantage and, thus, to be critical for the firm (Barney 1991b: 105; see also Fladmoe-Lindqvist & Tallman 1994: 48). These attributes are:

1. The value of the resources
2. The rareness of the resources
3. The resources have to be imperfectly imitable
4. The resources have to be imperfectly substitutable.

The resources are **valuable** when they enable a firm to conceive of or implement strategies ~~that improve its efficiency and effectiveness. The valuable resources have to be also rare in~~ the market in order to be potential sources of competitive advantage. In order to be **imperfectly imitable** the resources are dependent on unique historical conditions of the firm, they are hard to be understood by competitors or they are socially complex. The **substitutability** means that there are similar kinds of resources which can be adopted by competitors or that very different firm resources can be strategic substitutes. (Barney 1991b; see Priem & Butler 2001.)

As an application of the resource-based view of the firm the **VRIO¹⁴ framework** (Table 1) has been represented. This framework suggests that there are four questions that must be asked about any resource to evaluate whether or not it will be a source of competitive advantage. These four questions are: (1) the question of value, (2) the question of rareness, (3) the question of imitability, and (4) the question of organisation. The resource is valuable if it enables the firm to respond to environmental opportunities and/or threats. Thus, the question of value links the analysis to the external environment and to the economic performance of the firm. In order to analyse the rareness it should be asked how many competing firms already possess these valuable resources. A firm that possesses valuable and rare resources and capabilities, can gain, at least, a temporary competitive advantage. If

¹⁴ The acronym stems from the words 'Value', 'Rare', 'Imitability' and 'Organizing' (see Barney 1994b: 1-33)

in addition, competing firms that find it too costly to imitate the firm's resources by duplication or substitution, the competitive advantage may be sustained. The importance of the history, numerous small decisions and social complexity are the means to create resources which are hard to be imitated. Finally, the quality of organisation structure, control system, management style etc. creates the quality of organisation which can make the difference in whether or not a competitive advantage is obtained. (Barney 1994b: 1-33; see Barney 1986.)

Table 1. The VRIO-framework (Barney 1994b: 4).

Valuable?	Rare?	Costly to Imitate?	Efficiently Organised?	Competitive Implications
no	–	–	no	competitive disadvantage
yes	no	–		competitive parity ¹⁵
yes	yes	no		temporary competitive advantage
yes	yes	yes	yes	sustained competitive advantage

The researchers in the field emphasise that it is not only the individual resources that are the sources of competitive advantage but rather *the unique bundle or mix of resources* that are at the core of the firm (see Fladmoe-Lindqvist & Tallman 1994: 48; Barney 1991b: 106; Conner 1991: 122; Barney & Zajac 1994: 7-8; Benyamin & Brush 2001). Also, Rangone (1999) emphasises the importance of the firms (in his study especially the SMEs) to concentrate on firm-specific and strategic resources. By emphasising the importance of the resources to be unique Fladmoe-Lindqvist and Tallman (1994: 48-49) use the concept *firm-specific resources* describing the rent-producing resources or core competencies which are developed over time within the firms. Mehra (1994) brought a wider perspective

¹⁵ If a particular resource is controlled by numerous competing firms then that resource is unlikely to be a source of competitive advantage for any one of them. Instead, valuable but common (i.e. not rare) resources are sources of competitive parity. (Barney 1994b: 6).

of competitive environment into the discussion of resource bundles and defined a *strategic group* as groups of firms which compete within an industry by deploying similar resource bundles by concluding that: "It is the complexity of underlying resource bundles which sustain a firm's competitive advantage and prevent effective imitation of its strategies."

According to Barney (1991b: 101) the human resources consist of the training, experience, relationships, intelligence and insights of the individual managers and workers in the firm. Thus, the concept of human resources is seen to be close to the concepts of capabilities, skills or competencies. The capabilities are seen to be something that can be done in the firm by the human resources (e.g. Grant 1991; Amit & Shoemaker 1994) and, more specifically, the core competencies are seen to be the most strategic capabilities of the human resource in the firm (see Hamel & Prahalad 1994: 202-206).

In the previous research, especially the managers are seen to be in a key role in using the firms' resources and creating sustainable competitive advantage (Castanias & Helfat 1991: 155). Similarly, according to Brumagim (1994: 90) the people who initially develop the strategic vision of the company and support the organisation to implement the visions (and strategies) are seen to be in the highest position of the hierarchical model of the resources. Thus, it can be said that it is not only the people in the company who form the human resources of the firm but rather their capabilities and skills and experience that can create sustained competitive advantage to the company (see Boxall 1996: 3). This argument emphasises the importance of the development of the capabilities and skills in order to maintain the sustained competitive advantage.

In studying the managerial expertise as a rent-generating resource, Castanias and Helfat (1991) concluded that *firm-specific skills* were more likely to be a source of superior rents than the generic or industry-specific skills. Also, the firm-specific skills provided a source of sustained competitive advantage because the skills were hard to imitate by competitors. In addition, these skills were unique (i.e. hard to substitute) and, thus, they were also more valuable to the company than the other skills of the managers. Also, Miller and Shamsie (1996) state that the human resources are knowledge-based resources, which can only be protected by *knowledge barriers*: i.e. these resources are hard to be imitated by competitors

because they are subtle and hard to understand. Human resources can also be *socially complex*, which makes them hard to imitate (Barney 1991b: 110) or the human resources are a part of the *particular mix of resources* which are used to implement the strategy of the firm, and, therefore, hard to be imitated (Barney 1991b: 106).

Barney (1994b) discusses about the managers as resources and represents the concepts 'managerial human resource' and 'managerial organisational resource'. The *managerial* human resource includes all the experience, knowledge, judgment, risk-taking propensity and wisdom of individuals, and many of these types of human resources may be possessed by individual managers in a firm (Barney 1994b). As the managerial human resource is merely possessed by an individual manager, organisational human resources are the properties of groups of managers in the firm (Barney 1994b). According to Barney

(1994b) managerial human resources, while often valuable, are not *necessarily* rare or costly to imitate, and thus less likely to be sources of competitive advantage¹⁶. On the other hand, managerial *organisational* resources are often valuable, rare, costly to imitate and thus more likely to be sources of sustained competitive advantage. These managerial organisational resources include managerial resources that are properties of groups of managers (cf. the particular mix or bundle of resources) in firms such as relationships among managers (including e.g. trusting interpersonal relationships) and transformational leadership, i.e. the manager is able to fundamentally alter a firm's strategy, operations and culture in a way that substantially adds to its economic value (Barney 1994b).

In order to create and maintain the sustained competitive advantage, the resource-base of the company has to be **maintained and developed continuously** (Grant 1991: 131 see also Castanias and Helfat 1991). As Grant (1991: 132) states: "*Harmonizing the exploitation of*

¹⁶ This argument becomes understandable because in Barney's (1994) concept e.g. the formal managerial training and managerial intelligence are included into the managerial human resource. The management training market is wide and, thus, the formal training is not rare in the market. Also, managerial intelligence does not directly mean that the firm has a strategically important manager. Thus, Barney (1994b) emphasises the importance of the cooperation of managers as a possibility of creating managerial organizational resource and gaining sustained competitive advantage. Therefore, in regard to sustained competitive advantage the amount of training or the level of intelligence is not the main questions. The most important question is how the manager uses and renews his competencies in the firm in order to create managerial organizational resource and to gain sustained competitive advantage.

existing resources with the development of the resources and capabilities for competitive advantage in the future is a subtle task". Thus, according to the resource-based theory the rare, valuable, imperfect to imitate and hard to substitute human resources have to be continuously developed in order to create and maintain the sustained competitive advantage. In addition, Reed and Fillippi (1990: 97) studied barriers to imitation, causal ambiguity and sustained competitive advantage and concluded:

"Decay in barriers to imitation is, among other things, a temporally related phenomenon. To maintain barriers, and to sustain an advantage from imitation, decay must be averted. This means that the firm must continually reinvest in the factors [i.e. tacitness, complexity and specificity¹⁷] that create the ambiguity and barriers to imitations."

Thus, resource-based theory has provided a strong base for the human resource management to see the employees as valued resources and that the value should be increased by a systematic and coherent approach to investing in the training and development (Armstrong 1993: 152; see also Hall 1984; Nadler & Nadler 1989; Pfeffer 1994: 17–26). Similarly, the approaches of strategic HRM that emphasise the importance of linking the strategy and the human resource management and development – i.e. the strategic HRM and strategic HRD – see that the human resource of the firm has to be treated as a strategic resource and should be therefore also continuously developed (see Rothwell & Kazanas 1989; Cooke 1992; Vanhala & Lähteenmäki 1995; Tyson 1995; Purcell 1996).

Moreover, the management of knowledge or '*knowledge-based view*' as a perspective of resource-based theory emphasises the importance of knowledge creation and exploitation within firms (Boxall & Purcell 2003: 82–83; see Grant 1991; Spender 1994; Grant 1996). This perspective of resource-based theory focuses on *organisational knowledge and learning* as a source of sustained competitive advantage. In this perspective the organisational knowledge is mainly divided into explicit and tacit knowledge on both individual and organisational levels (see Nonaka & Takeuchi 1995; Spender 1994: 45). Thus, the firm's

¹⁷ added by the researcher

ability to learn faster than its rivals and adapt its behaviour more productively is seen as a means to achieve competitive advantage (Boxall & Purcell 2003: 83; see Chrisman 1999).

2.3.3. The Concept of Key Employee

As introduced in the previous chapter, not all resources are strategic and, therefore, the researchers of the resource-based theory concentrate on the critical resources. The managerial resources – especially top-managers – are seen to be the most critical human resources (see Castanias and Helfat 1991). As they are in the position to make decisions regarding the other resources, they are able to create a superior resource base and they are also visioning the future of the firm. However, if the main characteristics of the critical resources (valuability, rarity, imitability and substitutability) are taken into account, there can be other employees (i.e. not only persons in managerial positions) who can be seen as critical for the firm's ability to create sustained competitive advantage. For example, an employee who is valuable has a rare combination of skills, knowledge and has experience in the industry and of working in the firm, works in a socially complex environment (e.g. in a special team) and who is hard to be substituted for in a short period of time, can be seen as a key employee of the firm.

In the previous studies of human resource management a number of different definitions are given of the *key human resources* of a firm. As we will see in Table 2, there are several concepts used to describe the strategically most important persons in the firm. The concepts range from 'key employee' to 'talented employees'. Also, the criterion for the identification of the person is expressed in Table 2. In most cases the key employee is identified by using a single criterion: human value, rarity, risk or the position. Moreover, especially in the texts regarding the insurance policy and risk management (e.g. Hodgetts & Kuratko 1985: 711), the concept is used *without* any definition, and, thus, the concept has been taken for granted. The same phenomenon can be found in a part of strategic human resource management literature, too (e.g. Varila 1994: 101). In comparison with the criteria of resource-based theory the human value is analogous to the criterion 'value', similarly as rarity means rarity in the labour market. In addition, 'risk' includes the risk of personal turnover.

Interestingly, 'risk' is the only criterion which is combined with other criteria (rarity or position).

Table 2. The classification of the concepts of 'key employee'.

Author	Concept	Perspective	Criteria
Odiome (1984)	star	personnel portfolio: performance and potential	Human Value
Vesalainen & Routamaa (1993)	key employee	persons with high human value for the firm; the strategic importance of the development of key employees; SME perspective	Human value
Lähtenmäki (1995)	key employee	position (past, present or past-potential-future core position during the employee's career)	Rareness/ Position
Nonaka & Takeuchi (1995)	key player	knowledge creation (especially middle managers)	Human Value
Scullion (1995)	key assets	competent managers; international human resource management perspective	Human value
Iles & Salaman (1995)	managers and other key staff	the recruitment and selection of key managerial competencies	Rareness
Rothwell (1995)	key people	human resource planning in order to avoid the problems related to key people leaving	Rareness
Kochan & Dyer (1995)	key decision-makers	top managers' role in human resource management	Position
Brewster (1995)	key human asset	the persons in most critical positions according to the firm's objectives	Position
Lepak & Snell (1999)	core employees	HR architecture	Human value and Uniqueness
Olalla (1999)	essential employees	strategic capabilities	Human value
Barret (1999)	talented employees; key employee; top executives	the risks of losing key employees and the factors to address in keeping the talented employees	Rareness/ Risk

Shoebridge (2000)	key executives	"the talent war" between firms	Rareness
Mayo (2001)	key people	high human value and hard to be replaced	Human value / Rareness
Mitchell et al. (2001)	key employee	voluntary turnover; retention policy	Rareness
Kaye & Jordan-Evans (2001)	key employee	the retention and the "talent war"	Rareness
Olearcek (2001)	key employee	the protection of the most valuable human asset	Rareness/ Risk
Droege & Hoobler (2003)	key people	employee turnover and loss of social capital	Human value / Rarity

As was mentioned in Sub-chapter 2.2., Odiome (1984) applied the portfolio approach to strategic analysis created by Boston Consulting Group and created **the human resources portfolio in which the employees are assessed by using two dimensions: performance**

referring to the actual achievements of the individual compared with the objectives of the job and *potential* referring to the likelihood of the jobholder making a future contribution of value to the organisation. Odiome's (1984) portfolio model was further developed by Lähtenmäki¹⁸ (1995) who criticised Odiome's model as static and, thus, it does not take into account the individual career paths. Both of these two-dimensional models emphasise the importance of managing and developing each employee individually by taking into account the portfolio role (and the career phase). These two models provide a more holistic frame for the identification of key employees and a necessary mental model for the understanding that the human resource consists of strategically important and potential persons to whom special attention should be paid in order to avoid their exclusion towards 'dog' or 'deadwood' roles. However, in regard to resource-based theory, these models are restricted because they do not provide the possibility of evaluating the human resource by taking into account the competitive environment (e.g. rareness in the labour market or e.g. the team work providing a possibility of forming hard-to-imitate resource bundles).

Another effort to group human resources is Mayo's (2001: 118–121) categorisation according to the parameters of 'added value' and 'ease of replacement'. As a result, four

¹⁸ The model was presented in sub-Chapter 2.2.

groupings of employees are made in which the key employees are persons with high added value and, simultaneously, hard to be replaced (Mayo's 2001: 120). Thus, the criteria used by Mayo take into account two of the criteria (i.e. human value and rareness) of resource-based theory.

In addition to Odiome's and Mayo's categorisations, Lepak and Snell (1999) developed a framework (or what the authors call 'architecture') for studying alternative employment arrangements. In their model the human resource is categorised by using two dimensions emphasising the importance to note that not all employees possess skills that are equally unique and/or valuable to a particular firm. The premise of the human capital architecture is that there may be different HR configurations within a single organisation and that the value¹⁹ and/or uniqueness²⁰ are its primary determinants (Lepak and Snell 1999). Actually, these determinants are closely related to the attributes of the resource-based view (i.e. value-> value; uniqueness -> rareness and imperfect imitability/substitutability) (Lepak and Snell 1999: 35-36).

As a theoretical framework the HR architecture model is useful for the researchers in studying the HR practices in different firms and, also, for the identification of the human capital which is potential to be a source of competitive advantage. However, the primary use of the model is targeted to the research of HR practices, and therefore, the model has a limited benefit for the identification of key employees empirically. In all, the model supports the understanding that due to the natural decay of human capital, we need to better understand how firms make investments to compete through people over time and enable firms to understand which forms of human capital have the potential to be a source of competitive advantage (Lepak and Snell 1999: 45).

Actually, each of the attributes of strategic resource (value, rareness, imitability and organisation) is presented in the former key employee definitions. However, only one or

¹⁹ Value is defined as a ratio of strategic benefits to customers derived from skills relative to the costs incurred (Lepak and Snell 1999:35)

²⁰ Uniqueness is defined as firm-specific human capital which is often path-dependent, requires tacit skills and is acquired in situ (Lepak and Snell 1999:36)

two attributes are used simultaneously, which is not sufficient for the identification of a strategic resource. Therefore, a more comprehensive definition taking into account all the four attributes is needed. To conclude, in this research the concept of key employee will be defined as follows:

The key employee has a high human value for the firm. He or she has a combination of skills, knowledge and experience which is strategic for the firm and rare in the labour market. Moreover, he or she is hard to be imitated and, in all, efficient organising is used in order to diminish the personal risk.

In the next chapter the concept will be used as a base for the development of the framework for the identification of key employees.

2.3.4. The Framework for the Identification of Key Employees

Barney's (1994b: 4) VRIO-framework as well as the concept of key employee will provide the tools for the development of the framework for the identification. Thus, the VRIO-framework will be revised and focused for the identification of key employees. First of all, an employee who uses his/her skills, knowledge and experience in order to exploit opportunities and/or neutralize threats is analysed as **valuable** for the firm (see Barney & Zajack 1994: 5). Thus, a person with skills, knowledge and working experience is not directly identified as valuable unless he or she can be assessed to use them accordingly. In other words, the ability to do the work is a necessary condition but not sufficient. Therefore, the motivation and willingness to do the work is needed in order to evaluate the person as valuable. As a result, the employee's individual performance is able to be presented as a function $P = f(A, M, O)$, in which A refers to ability, M refers to motivation, and O to opportunity to succeed in a specific context (Boxall & Purcell 2003: 137). In this function the ability consists of declarative knowledge (what we know about things) and of procedural knowledge and skills (how the work is done) (Boxall & Purcell 2003: 137–138).

Thus, skills and knowledge are closely inter-related: the application of skills is always contextual (i.e. the ability to perform work-related tasks), influenced by collective and individual knowledge (i.e. specific information about a subject or a field) pertaining to a

specific situation (see Gibb 1997: 15; Nordhaug 1993: 51). Moreover, the term 'competence' has been widely used in previous research with different meanings. In this research, by competence is meant a composition of knowledge, skills and aptitudes (i.e. the natural talent as a base for knowledge and skills) that may serve the purposes of the firm (Nordhaug 1993: 49–52). In this respect, in this research aptitude is included in the ability (A) in the performance function. In all, on this criterion the individual performance of potential key employees will be evaluated by using the performance function ($P=f(A,M,O)$) as a frame.

Secondly, as Barney et al. (1994: 7) state, a firm with valuable and rare resources may gain at least a temporary competitive advantage. Similarly, Mayo (2001: 120) represents a categorization of employees by two dimensions: 'difficulty to replace' and 'added value'.

In this matrix the priority of the person who has high added value and is hard to be replaced, is *retention*. As Mayo (2001: 120) states: "*These people might come from any level in the hierarchy, but each represents a real asset loss*" (see also Droege & Hoobler 2003; Mitchell et al. 2001; Kaye & Jordan-Evans 2001; Graham 1999). In this research, the question of **rareness** will be measured as the length of the replacement period and whether a similar combination of skills, knowledge and experience exists or not in the labour market. This criterion measures actually the rareness outside the firm contrary to the fourth criterion measuring the internal substitution.

Thirdly, the question of **imitability** is combined with the concept of 'tacit knowledge' (Hendry et al. 1995: 30; see also Nonaka 1998:4; Nonaka 1991: 96–104) as well as with the concept of "Firm-Specific Resources" (see Castanias & Helfat 1991; Fladmoe-Lindqvist & Tallman 1994: 48–49). Tacit knowledge is personal, context-specific, and therefore hard to formalize and communicate (Nonaka & Takeuchi 1995: 59). Thus, a person with tacit knowledge and firm-specific skills and even socially complex capabilities (e.g. teamwork, trust, reputation etc.) is hard to be imitated and, thus, a potential key employee (see Reed & deFilippi 1990). In this sense, the individual employee is not assessed only by seeing the person as a separate resource in the firm, but rather as a resource which is a part of the bundle of the total resource-base. Thus, for example, the membership in the management team can raise the difficulty to imitate the employee at work. Therefore, the *resource*

bundles are taken into consideration in this stage, too. Moreover, the concept 'core competence' is applicable to this condition because it is defined as a unique bundle of the firm's skills and technologies and representing the sum of learning across individual skill sets and individual organisational units (Hamel and Prahalad 1994: 202–210).

Fourth, and the final criterion, concerns the **organising** of the resources. In this stage the assessment is made on the level of the firm (as the other criteria focus on the individual person's skills, knowledge and experience). This criterion is important in regard to the *personal risk* if the knowledge, skills and experience are not shared in the firm. Thus, the *organisational arrangements* (e.g. the ownership, insurances, agreements etc.) which aim to limit the risk of personal turnover and the level of risk if the person is absent, (substitution, team work etc.) are taken into consideration (e.g. Odiome 1984: 45–46; Lähteenmäki 1995: 330–331). In all, the fourth criterion emphasises the *right positioning* of the resources in order to exploit the resources fully (Barney 1994b: 14). Thus, the idea that the right person should be in the right position will be expanded with the idea of the extent of the personal risk. In Table 3 all the four criteria and the content of the criteria combined with the specific questions are presented.

Table 3. The operationalisation of the attributes of strategic human resources.

<i>Criteria</i>	a) The question of value	b) The question of rareness	c) The question of imitation	d) The question of organisation and risk management
<i>Content</i>	$P=f(A,M,O)$	<i>replacement period</i>	<i>tacitness, firm-specificity, complexity</i>	<i>internal substitution, personal risk</i>
<i>Question</i>	<i>What is the person's combination of skills, knowledge and experience in regard to the firm's strategy? How motivated is the person to use the combination?</i>	<i>What is the estimated period of time to recruit a new person if the person leaves the firm?</i>	<i>What is the extent of the person's tacit and firm-specific knowledge? Is she a part of a resource bundle?</i>	<i>How high is the estimated personal risk of turnover? Is the risk taken into account in the firm and how?</i>

In Table 4, the framework for the identification is presented and on each criterion specific questions are stated. By using the framework the whole personnel of the firm can be

assessed. Then, the answer on each criterion has to be positive in order to identify a person as a key employee. As the criteria are closely linked to the business strategy of the firm, the identification is made by persons in the strategic core of the firm. In this research, the identification framework will be applied in two SMEs (Firms A and B). The assessment of the personnel will be made by the Owner-Managers in both firms, because due to the ownership they have important implications for the strategy of the firm (see Hendry et al. 1995: 11; Daily & Dalton 1992; Hankinson 2000; Churchill & Lewis 1983), the power to run and target the business as well as organise and manage the human resource of the firm (see Hodgetts & Kuratko 1985: 30; Curran and Stanworth 1989: 160; Hornsby & Kuratko 1990: 9; Saapunki 1993: 19; Kerr & McDougall 1999: 66).

Table 4. The framework for the identification of the Key Employees.

<i>The Criteria / The Person</i>	a) The question of value	b) The question of rareness	c) The question of imitation	d) The question of organisation and risk management	<i>Key Employee?</i>
<i>Person A</i>					<i>yes/no</i>
<i>Person B</i>			<div style="border: 1px solid black; border-radius: 15px; padding: 5px; width: fit-content; margin: 0 auto;"> <i>A bundle of human resources</i> </div>		<i>yes/no</i>
<i>Person C</i>					<i>yes/no</i>

Finally, it can be concluded that a person is a key employee if the answer is positive to all four questions. Also, it should be noted that the identification of the key employees does not exclude the importance of other human resources: these resources may be essential for a firm's survival (see Barney 1994b: 7). However, Mayo (2001: 121) argues that the traditional HR approach considering all employees in much the same way might need rethinking as more attention will be paid to retention of the best human resource, but, as he continues: "*This need not, of course, cut across any equal opportunity policies or programs.*" Moreover, the life-cycle and career models as well as the attributes of strategic human resource emphasise the possibility of other employees to be developed towards key employee position (see Odiorne 1984; Lähteenmäki 1995). In this sense the *dynamism* is

built into the frame even though it provides cross-sectional information regarding the human resource at specific time and space of the firm. In addition, as the strategic resource has to be continuously maintained and developed in order to avoid the erosion of human resource (see Hamel & Prahalad 1994: 235), the periodic repetition of the use of frame can provide the firm with longitudinal information regarding the condition of the human resource-base.

According to the previous literature, strategic human resource development has a central role linking the individual as well as organisational level learning to become the means to achieve the strategic goals of the firm. Moreover, in the light of previous studies, both the phase of the life-cycle on firm level and the phase of career on individual level are seen as important contextual factors for SHRD in SMEs. However, as was discussed, the previous research on SHRD in SMEs have not provided the answer to why the interpretations of HRD and its role seem to vary. Therefore, we have focused our study on the key employee's discourses. In order to reach the individual key employees, the vague concept 'key employee' was revised together with the revision of the identification framework (i.e the VRIO-framework). Therefore, at the moment we are ready to move on and start analysing how the key employees talk about human resource development and how the discourses change the overall picture of SHRD and finally provide us with the opportunity to answer the research question: 'is there a role for SHRD in the SME-context?'

3. THE DISCOURSE ANALYSIS

Next, we will turn the attention to the individual key employees in SMEs. However, before providing the key employees with the possibility of talking, the methodology of this research will be discussed. During the past years researchers have increasingly advocated theories and methodologies that illuminate the complex organisational phenomena and the dynamism and even the fragility of organisations (Oswick, Keenoy and Grant 2000). Thus, discourse analysis as a wide theoretical and methodological frame has become more utilized also in organisational research (e.g. Anderson-Gough, Grey and Robson 2000; Welcomer, Gioia and Kilduff 2000; Hardy, Palmer and Phillips 2000, Peltonen 2003).

In the field of entrepreneurship and SME-research the hegemony of quantitative research has been considerable. According to Kyrö (2004) 11 per cent of the entrepreneurship studies used qualitative methods and at the same time quantitative methods were used in over 60 per cent of the studies in the data of 337 referee articles published in 1999-2000. Interestingly, in the studies using a qualitative approach, discursive methods were presented most (Kyrö 2004). In addition, the increasing interest in a discourse analytic approach can be seen in recent entrepreneurship studies e.g. regarding entrepreneurs' *construction of identities* (Hytti 2003), *women entrepreneurship* and the making of entrepreneurs (Ahl 2004), *the rhetoric* in knowledge-intensive firms (Alvesson 1993), *consultant advice* in SMEs studied by using Foucault's *power and knowledge* approach (Johansson 1999) and *entrepreneurial learning* (Rae 2003).

In this dissertation **the social actors** are the key employees constructing the reality in social interaction. Therefore, a closer look is taken at the discourse analytic studies in which the actors are managers and experts (as potential key employees in their organisation). According to Legge (1995: 312–325) HRM as such can be seen as a discourse which is produced and renewed by academics, line managers and – as Legge (1995: 318) emphasises – personnel managers themselves. According to Legge (1995: 312–325) the language of HRM can be analysed from the power and knowledge perspective: especially the ambiguity of HRM language serves as a powerful means for line managers or personnel managers to

provide them with a better power position in the organisation. Actually, Peltonen (2003) provided the individual managers with the possibility of talking and concluded in his discourse analytic study that the ambiguity of HRM can be a resource or an obstacle in the local accomplishment of social and power relations. In spite of the power and knowledge aspect, the prior discourse analytic research has provided e.g. the expatriates in international companies with the possibility of interpreting their development and movement across their career life-cycle (Peltonen 1998). Moreover, Kyrö (1999) studied the discursive construction of capabilities by using a multifaceted material including the thematic interviews of managers and experts. Thus, the prior discourse analytic research provides us with the understanding that methodologically discourse analysis is, first, an appropriate means to understand reality as a social construction and secondly, a means to analyse the actors' interpretations of the social reality. In addition, the prior discourse analytic studies provide us with appropriate alternatives or models for the analytic process.

Next, we will discuss the main principle of discourse analysis: the language itself as a function. Secondly, the concepts of 'discourse' and 'discursive world' will be discussed and defined. Thirdly, the discourse analytic research process will be presented and, finally, the questions regarding credibility and generalisation will be discussed.

3.1. The Language seen as Function

The antecedents of discourse analysis are to be found in the 'wave' of postmodernism at the beginning of the 1970's aiming at understanding how the reality is constructed in the social context. Consequently, studies in organisational discourse have extended beyond a narrow micro-level focus on short texts to a broader and more sophisticated repertoire of approaches. (Oswick, Keenoy & Grand 2000:1115; Potter & Wetherell 1987; Lämsä 2003.)

Actually, Silverman (1993) distinguishes two 'schools' of social science: *positivism* (which seeks to test correlations between variables) and *interpretive social science* which is more concerned with observation and description. The interpretative social science consists of **social construction** as a concept and emphasis on qualitative methodology (Silverman

1993). The main goal of social constructionism is the understanding that the complex world of lived experience from the point of view of those who live it i.e. the social actors (Schwandt 1994: 118–119). Moreover, the constructionists believe that to understand this world of meaning one must interpret it and, therefore, the research has to clarify what and how meanings are embodied in **the language** and actions of social actors (Schwandt 1994: 118–119).

Language – being the means to construct the versions of the social world – is such a central aspect of all social activities that it is usually easily taken for granted. According to Potter and Wetherell (1987; see Burman & Parker 1993: 1–15) language orders our perceptions and makes things happen. It creates social interaction and diverse social worlds. As Potter and Wetherell (1987: 32) state: *“People use their language to do things: to order and request, persuade and accuse. This focus on language function is also one of the major components of discourse analysis.”*

As Potter and Wetherell (1987: 9–10) stress, language is not just a code for communication: it is inseparably involved with the processes of thinking and reasoning. Therefore, it is clear that a large part of our activities are performed through language: our talk and writing do not live in some purely conceptual realm, but are mediums for action as Potter and Wetherell (1987: 9–10) specify the importance of the study of language. Therefore, the aim of discourse analytic research is to gain a better understanding of social life.

The main principle of discourse analysis is that all use of language is seen as function. In this respect, people using language are actively renewing and adopting the cultural ‘flow’. Thus, the use of language can be seen as a function itself. The talk and the action are not the counterparts in discourse analytic research. Both are seen as functions which maintain and renew the social reality. (Jokinen, Juhila & Suoninen 1999: 19.)

3.2. The Discourse and the Discursive World

In the discourse analytic research the main interest is on how people are using their language to construct versions of the social world. The main principle is that even the same phenomenon can be constructed in various ways and producing various accounts. Thus, the principal tenet of the discourse analysis is that function involves constructions of versions of the social world and this function is demonstrated by language variation. Therefore, a discourse analyst is interested in analysing *how people construct the reality* by producing accounts and what kind of consequences are constructed by these accounts. (Jokinen et al. 1999: 20.)

The 'world' can be divided into smaller units – *discourses*. Jokinen et al. (1999: 21) define the discourse as a compatible set of meanings which form the social world in a certain way. Similarly, Potter and Wetherell (1987), define an *interpretative repertoire* as a lexicon or register of terms and metaphors drawn upon to characterise and evaluate actions and events. According to them, the interpretative repertoire is achieved by the use of a cluster of terms and metaphors which are selectively put forward to provide evaluative versions of the events taking place in a 'riot'. Jokinen et al. (1993: 26-27) mention that the concepts 'discourse' and 'interpretative repertoire' are closely related and are used as synonyms in many discourse analytic researches. Therefore, later in this study we will use the term 'discourse' as a combination of the above definitions: *a discourse is a relatively compatible set of meanings, which are socially constructed and which form the social reality*. Thus, the term *discursive world* will be used for the *entity of discourses* which form the social reality. Consequently, as the social reality is formed in social interaction in the cultural flow, it is possible that some of the discourses in the social world are closely related or even in contradiction with each other. As a result, in this research, the discursive world of an individual key employee can be constructed as a *diversified entity* producing consequences for the human resource development in the firm (see Figure 7).

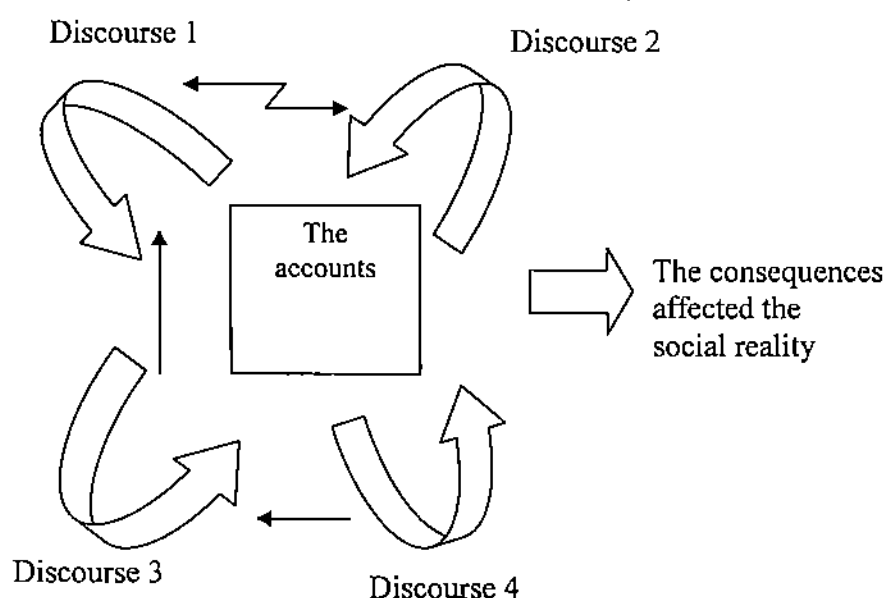


Figure 7. The discursive world (modified Jokinen et al. 1999: 20–25).

The individual person's discursive world is not constructed in a vacuum. On the contrary, it is maintained, rebuilt, changed – or destroyed – in *continuous social interaction*. Thus, the person is actively participating – maintaining or renewing – the *common social reality* and vice versa. In this sense, the formative range of discourses presented by Alvesson and Kärreman (2000b: 1133–1135) is useful for the analysis. According to them it is possible to point out four versions of discourse analysis (Figure 7). First, one option is to take an interest in discourse at close range, considering and emphasising local, situational context. In the micro-level the researcher is interested in the text as an interesting phenomenon in itself not as a part of a larger context. The second level is called the 'meso-discourse approach'. In this level the researcher is sensitive to language use in context but interested in finding broader patterns and going beyond the details of the text and generalising to similar local contexts. The third level is called 'Grand Discourse approach'. A Grand Discourse may refer to organisational reality, for example dominating language use about corporate culture or ideology. The fourth level is called 'Mega-Discourse approach'. Mega-Discourse typically addresses more or less standardized ways of referring to a certain type of phenomenon (e.g. globalization in the Western world). (Alvesson & Kärreman 2000b: 1133–1134; see Lämsä 2003.)

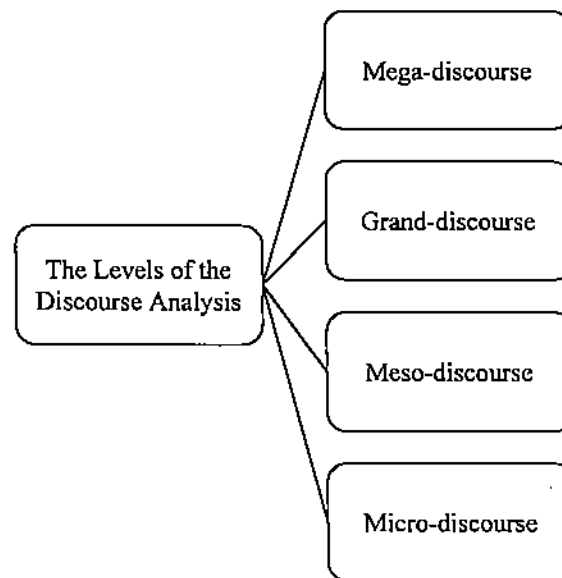


Figure 8. The levels of the discourse analysis (modified Alvesson & Karreman 2000b; Lämsä 2003).

In this dissertation, discourse analysis is seen as *a methodological framework* which enables us to study the social reality as discursively constructed and maintained (see Eskola and Suoranta 1998; Alvesson & Karreman 2000a: 1126). Thus, according to Alvesson and Karreman (2000a) there are also two main methodological risks which have to be taken into account. First, there is the risk of the current tendency to work with a too grandiose view on discourse as well as there is the risk of imposing a discursive macro order (i.e. diversity is neglected at the expense of broader entities). Secondly, there is the risk of too narrow a focus on details of the social text. These risks are diminished in this dissertation by using the ‘**ladders**’ of discourse (Figure 8) presented by Alvesson and Karreman (2000a; see Lämsä 2003). First, the approach is on micro-level, aiming at analysing how the social reality is constructed on the individual level in social interaction. Secondly, the context (the key employee working in the SME) will be taken into account in the analysis. Thirdly, the firm level approach will be taken into account as the discourses produced by the key employees in two SMEs provide the possibility of exploring the Grand-Discourses. Finally, the discursive worlds of key employees in two SMEs may provide some clues to whether the Mega-Discourses (e.g. discourses of business life in general) have affected the social reality in the two SMEs.

3.3. The Discourse Analytic Research Process

During the discourse analysis process we will follow the stages provided by Potter and Wetherell (1987: 160-175). First, regarding the **sample size** Potter and Wetherell (1987: 161) state: *"Because one is interested in language use rather than the people generating the language and because a large number of linguistic patterns are likely to emerge from a few people, small samples or a few interviews are generally quite adequate for investigating an interesting and practically important range of phenomena"*. Thus, the scope is limited to the discourses produced by the key employees in two case enterprises. First, the key employees will be identified and, second, the thematic interviews will be made. The two case enterprises are selected to represent two different kinds of SMEs in the **same size category (small enterprises having 10-49 employees)**. **The aim is to select firms** which are located in opposite parts of the life cycle: one start-up and one mature firm.

The size category is selected because in these firms there are not separate human resource management or development departments and, therefore, Owner-Managers' as well as other key employees' role is important regarding the decision-making on human resource development activities. In addition, the firms chosen are operating in different fields of industry, in order to be able to analyse the discourses produced by key employees with different backgrounds (e.g. education, age, sex). The two firms were selected by using the personal network of the researcher. Firm A was recommended by the chairman of a local association of entrepreneurs, and Firm B was recommended by the manager of the venture capital company funding the Firm B. The aim is not to compare these two firms in order to make generalisations regarding the SMEs in different phases in their life cycle but rather to explore the discursive worlds of key employees working in different SME context in order to obtain diversified material (or 'clues') for the analysis.

Secondly, Potter and Wetherell (1987: 162) emphasise the benefit to **collect documents and material** from many sources in order to be able to build up a much fuller idea of the way participants' linguistic practices are organised. Thus, the researcher contacted first both owner-managers in order to present the idea of the research and to ask whether they would like to attend the research process. During the first calls it was possible to obtain the first

impression of the firm and its operations. Of course, the researcher had already some impression regarding Firm A as he knew the Owner-Manager. The internet-sites of both firms provided additional beneficial background information of the firms. Then, both owner-managers were met for the first time. During the first meeting the researcher told about the research idea and the Owner-Manager presented the firm, its personnel and operations. These open discussions were taperecorded in order to ensure the possibility of checking the details of the firms later. As a result of the first meeting, the identification of key employees was made and the overall picture of the firm was created. Also, it was agreed that the researcher could contact the key employees directly in order to schedule the thematic interviews.

Thirdly, the interviews were prepared and completed. The researcher called or contacted by email each key employee and told about the subject of the research and advised the persons to reserve two hours for the thematic interview. Similarly, the themes of the interview were mentioned as well as the idea not to search for facts but the thoughts and opinions of individual persons. The interviews were arranged either in a negotiation room or in the office of the key employee. Thus, the key employee was kindly advised to switch off the cell phone and inform the secretary that the person was reserved for the period of the interview. In order to create an open atmosphere the interviews were started with small talk together with a cup of coffee. Then, the interviewee was asked whether the interview could be taperecorded and, at the same time, the interviewee was assured that all the material was confidential and strictly used only for the purpose of the research.

According to Potter and Wetherell (1987: 165) the interviews in discourse analysis differ from conventional interviews in three ways: (1) variation in response, (2) techniques which allow diversity and (3) interviewer is seen as an active participant. Thus, these three issues were taken into account in the construction of interviews. First, the theoretical primacy was given to the talk itself. Therefore, there were not any preassumptions or hypotheses made regarding the responses but rather the discursive worlds were analysed from the full range of accounting resources produced by the key employees. Secondly, the themes of the interviews (see Appendix 2) allowed diversity and interventions (e.g. follow-up questions) during the interviews. Therefore, the list of themes was produced only for the use of the

researcher to make sure that the same themes were discussed with each key employee. The themes covered a wide range of topics regarding the human resource development in the firm and these themes were open-ended in order to allow the interviewees to elaborate their views in a relatively naturalistic conversational exchange (see Potter & Wetherell 1987: 165). Thirdly, the interviewer was seen as an active participant during the interviews. Thus, whole interviews were to be transcribed and the researcher's questions and comments are seen as active and constructive – not passive and neutral.

Fourth, the **transcriptions and coding** are made from the audiotape by using the conventional transcription coding system used in discourse analytic research (Appendix 1). The transcription process is the most time-consuming phase during the discourse analysis. Actually, the transcribing was an active part of the research process. The first hearing of the tape provided, first, a possibility of memorizing the situation and the feeling of the interview and, secondly, a holistic overview of the interview. The use of foot-pedal tape-recorder and headphones was essential in order to write the detailed transcription by using the computer and a word-processing programme. Even though the detailed transcribing was extremely time consuming, it provided the researcher with the possibility of 'diving' into the discursive worlds in advance. The possibility of hearing and reading the 'raw' material many times before the final analysis of the discourses was essential in regard to the following phases of the analysis.

Fifth, **the analysis of the discourses** was started with several readings of the transcriptions in order to get an overview. First, two interviews from Firm A (Financial Manager and Owner-Manager) were analysed and, also, these results were also presented in several international conferences in order to obtain beneficial feedback from the research community for the future research process (Tuomi 2002a; Tuomi 2002b; Tuomi 2003a; Tuomi 2003b). The reading and rereading of the detailed transcriptions by one person at a time turned out to be the most beneficial way to proceed with the material. First, the discourses were analysed by *analysing the glossaries* which actually were good clues to the content of the discourses. Similar kinds of glossaries (including key symbols, metaphors and connotations) are actually bases for discourses. After that, the wider use of language was analysed. The analysis of rhetorical means to construct discourses proved to be

beneficial (see Jokinen et al. 1999: 126–157). These *rhetorical means* to use language are for example:

- argumentation on the interpretative reality
- divergence of the person's own interest (e.g. talking about 'us' instead of 'I') as a means to convince the listener
- quantifying: figures, percentages etc. as a means to convince the listener
- using of passive form
- telling of narratives or examples
- leaving gaps which were filled by the listener
- using of metaphors
- using of extreme statements (such as 'always', 'never' etc.)
- using of repetition or tautology

In addition, as the interviewer is seen as an active partner of the interview, the means of **interaction analysis** were used. For example, the following means were analysed (see Jokinen et al. 1999: 101–125; see Jokinen 1992):

- subjective positions of the persons (e.g. interviewer- interviewee or colleague – colleague)
- lengths of the pauses (may mean that the topic is problematic or difficult)
- transition places of different discourses
- 'cultural dance' (i.e. the places in the discussion in which the transitions of speakers are changes in common cultural understanding: e.g. questions are followed by answers which are followed by the next question etc.)
- turn design (e.g. the tone of the speech)
- silences and the length of silence
- complicated ways of talking (e.g. the talk is full of small words without meaning such as 'well').

However, the discourse analysis is not a mechanical procedure for producing findings from an archive of transcripts, but rather it is a method in which the researcher actively makes his interpretations accurately from the transcriptions. Thus, the interviewees' discourses are approached in their own right and not as a secondary route to things 'beyond': discourse is treated as a potent, action-orientated medium, not as a transparent information channel (see Potter & Wetherell 1987: 160). Therefore, **the analyses' 'routes' and 'paths'** are reported in detail and as a result a picture of the discursive world of each key employee will be made. Finally, each discourse is analysed in respect to all the other discourses in each **discursive world**. Consequently, the interaction between discourses will be explored as well as the consequences which are affected by these discourses to human resource

development will be discussed, first, on individual level and, second, on firm level. To finalise the research, the results obtained will be analysed in relation to the different levels of discourses (Figure 8) as well as whether the results are able to provide clues to understand the research phenomenon in general. Thus, the assessment and the generalisation will be discussed more in detail in the next chapter.

3.4. The Questions of Credibility and Generalisation

The traditional criteria for evaluation research has to be rethought in discourse analytic research because the aim is not to produce universal facts but rather to research the reality which is dynamically constructed in social interaction (see Jokinen et al. 1999). Thus, the language produced by key employees forms a textual reality which does not reflect the reality and facts but, actually, is the reality itself. Therefore, the aim is to accurately analyse the meanings rising from the use of language resulting from the researcher's interpretations. Thus, the researcher is an active partner in the social interactions through which the interpreted reality is formed. Consequently, this could lead to loose speculations regarding the interpretations unless the use of analytic techniques for validation is taken into account. There are several analytic techniques which are used in discourse analyses in order to validate the findings. In the following chapters the applicability of the following techniques will be discussed: (1) *coherence*, (2) *reader's evaluation*, (3) *participants' orientation*, (4) *new problems* and (5) *fruitfulness* (Potter & Wetherell 1987: 169–172 and Potter 1996 quoted in Jokinen et al. 1999: 234–236; Eskola & Suoranta: 1998: 222–223).

First, the analysis should show how the discourse fits together and how discursive structure produces effects and functions, and thus **coherence** will be reached. Eskola et al. (1998: 223) connect the coherence to the traditional means to set hypotheses which are tested by analysing the deviant cases in the text. In this research the aim is not to set up traditional hypotheses before the analysis of the discourses as the discursive world. Even though in this research hypotheses are not set regarding the interpretative reality, the coherence will be taken into account during the research process. Especially, the analysis of the *deviant cases* enables the specification of the interpretation. In other words, if a discourse is

explained and analysed to be coherent in its nature, a deviation or exception in the text is taken into account in order to test the coherence. Thus, the analysis of the deviations or exceptions could result in the change or specification for the researcher's interpretation.

As the researcher is an active participant in the social interaction in which the research material (transcriptions and the interpretations) is produced, the second means to validate the interpretations is the **reader's evaluation**. Thus, the aim is to provide the reader with the possibility of criticising the researcher's interpretations. In this research, the reader's evaluation is ensured by the accurate presentations of the chains of analyses. Therefore, the transcriptions will be presented in the same sequence as the researcher has made the analysis. Each discourse will be discussed with strict links to the original transcription: even the lines and single words together with the researcher's analysis will be included in the research. In sum, to make interpretations is not the sole right of the researcher as the aim is *not* to produce universal facts but merely to make visible the diversity of the social reality.

Third, in spite of the interpretation of the researcher, the **participant's own understanding** or orientation becomes important because the kinds of phenomena which interest discourse analysts have genuine consequences for people's social lives. As Potter and Wetherell (1987: 170) state: "*We are not interested in the dictionary definitions of words, or abstract notions of meaning, but in distinctions participants actually make in their interactions and which have important implications for their practice.*" Thus, the aim is to understand what the participants see as consistent and different. In the thematic interview with a researcher as an active participant producing the social reality, the participant's orientation will be taken into account by considering how the discourses are kept separate or how they by the use of language are interlinked to each other. As there is the standardised form used during the thematic interview, the key employees' own orientation is taken into account by providing the key employee with the possibility of talking and discussing as much as they are willing to. Thus, the research setting provides the key employees with the possibility of producing diversified talk on the themes ensuring the visibility of their own understanding and orientation.

The goal of the discourse analysis is to clarify the linguistic resources used to make certain things happen. However, as a result, the analysis will not only solve the problems, but will also create **new problems**. Thus, the existence of new problems and solutions, provides further confirmation that discourse analysis is being used as intended. Thus, as the social reality is contradictory in its nature, the aim is to make the contradictory nature of the discourses visible. In this research, the contradictory nature of the discursive worlds produced by each key employee will be analysed and made visible. Thus, the new problems raised from the material will make visible the issues which are taken for granted, too. Finally, the validation of the research can be evaluated by its **fruitfulness**. The fruitfulness is seen also as one of the most powerful techniques for validation. In this sense, this refers to the scope of an analytic scheme to make sense of new kinds of discourse and to generate novel explanations. In other words, if the research can generate fresh solutions to the problems in the field of research, it could be evaluated as valid. (Potter & Wetherell 1987: 160–161.)

In discourse analytic research the **generalisation** of results depends on the reader assessing the importance of the effect described and deciding whether it has vital consequences for the social life in which it emerges and possibly for other diverse areas (Potter & Wetherell 1987: 161). Also, Alasuutari (1994: 206) emphasises that the aim of qualitative research is not to prove or testify that the phenomenon is there, but rather to make it understandable. Thus, the aim of qualitative research is the questioning of the phenomenon which is taken for granted. Therefore, in order to provide the reader with the possibility of assessing, it is important that the phenomenon can be explicitly explained in the local context. Thus, Alasuutari (1994: 222) would rather use the term '*proportioning*' than generalisation meaning that the researcher is able to express that the qualitative analysis is explaining the phenomenon not only in the local context but in the wider social context, too. In this research, the aim is to solve the mystery why there is variation in regard to human resource development even in the same small medium enterprise and between the key employees in the firm. Therefore, the local explanation is the aim. The discourses are dynamic of their nature; thus, the aim is not to explore universal truths in regard to the context of discourses but rather the aim is to understand what kind of consequences these discourses have on the strategic HRD on the individual as well as on the firm level. By reporting the thematic

interviews and the analysis paths in detail the research material will be subject to the readers' assessment. Moreover, as many clues as possible are presented in the research in order to solve the mystery, first, in the two case enterprises and, second, to discuss whether the clues tell something about the phenomenon in the wider context, too.

4. THE KEY EMPLOYEES AND THEIR DISCOURSES IN FIRM A AND FIRM B

In this chapter we will first identify the key employees in both target firms by using the revised framework presented in sub-Chapter 2.3.4. Next, the conceptualisation and the revision of the identification framework will be evaluated. After that we shift to discourse analysis. Subsequently, the socially constructed discourses produced by the key employee will be analysed and, finally, we will discuss the conclusions regarding the discourses.

4.1. The Identification of Key Employees in Target Firms

4.1.1. The Key Employees in Firm A

Firm A is a family-owned firm operating in the field of wholesale of electronic equipment. The firm is over 40 years old and it was started by the Owner-Manager's father and in the beginning the assembly was made in the garage of their home. At the moment the firm belongs to the SME category 'firms having 10–50 employees'. There are 36 employees and the firm is owned by one family. The annual turnover is over 6.7 MEUR. During the first decades the parents of the Owner-Manager were the only personnel of the firm. The growth phase started in the 1970's as the present owner-manager started to work full-time for the firm and after that the succession which was made in the middle of the 1970's. The base for the growth was possible due to a product innovation made by the Owner-Manager. Thus, the forthcoming decades until the recession period at the beginning of the 1990's were the years of growth. The years of recession were hard as the turnover collapsed and a reorganisation was needed, too. Since the period of recession, the situation of the firm has been unsteady. The turnover has been on average quite stable but the profitability has weakened. Thus, the firm can be located as mature in its life-cycle.

The analysis of the key employees in Firm A was made by the Owner-Manager. At the beginning of the discussion aiming at identification, the Owner-Manager presented the

firm, the organisation and told in detail about the history and the present state of the firm. Then each employee was analysed step-by-step by using the criteria. The researcher had learned to know the Owner-Manager two years ago as both were working in the same business district. Therefore, the discussion was open and analytical. Actually, the main task of the researcher was to write down the results of the identification. The Owner-Manager made the identification in three phases: (1) the first selection of potential key employees of the whole human resource, (2) each potential key employee was analysed by more accurate evaluation regarding the criteria and (3) the final selection of key employees. In total, the identification and the pre-discussion took about two hours. The researcher had a possibility of providing the Owner-Manager with supplementary information regarding the criteria during the discussion. In all, the Owner-Manager seemed to know his personnel individually with a lot of background information, which contributed to the identification process.

Finally, five key employees from the total of 36 employees were identified (Table 5). In Table five as well as in the following chapters the key employees are presented in a random order; in other words, the key employees are not presented in any priority order. *The Owner-manager's* value for the firm is based on the holistic view as well as on the decision-making role of the firm. As owner he is hard to be replaced, but in a long period of time a new managing director is possible to find. However, at the same time the decisions regarding the ownership and the new role of Owner-Manager (e.g. the chairman of the board) has to be decided. The imperfect imitability is based on the historical as well as on the tacit knowledge regarding all the operations as well as strategies of the firm.

The risk is evaluated to be high because any arrangements regarding the substitution have not been made and the person holds two strategic roles being owner and manager at the same time. *The Financial Manager* has a wide job description being responsible for the combination which is evaluated to be highly valued for the firm (financing/bookkeeping, human resource management and quality management, ISO9002). Moreover, she is evaluated as highly committed and having the ability and willingness to do her best at the work. Due to the wide combination of tasks, she is judged to be replaced only in a long period of time. As a result of her eight-year working history in Firm A she has strategic tacit knowledge regarding the financial function as well as personnel of the firm. The

accountant acts as a substitute for her (mainly on financial tasks). However, there is some risk at the moment regarding the personnel management as well as quality management.

Table 5. The identification of the key employees is Firm A.

Questions/ Key Employee and the background	a) The question of value	b) The question of rarity	c) The question of imitation	d) The question of organisation and risk management
<i>Owner-manager</i> age: early 50's education: matric. exam.	owner with the holistic view of the firm	impossible if combined with ownership, otherwise possible to replace in a long period of time	tacit and historical knowledge of the firm	owner of the firm, high personal risk
<i>Financial Manager</i> age: early 50's education: M.Sc.	special combination of skills: financing, HRM and quality system	replacement period short in financing but in combination with quality system long	financing possible to be imitated, with the combination of skills: hard	hard to be substituted, Accountant as a substitute
<i>Management assistant</i> age: late 30's education: business college	special knowledge of foreign trade	short: management assistant; 6 months- year if combined with knowledge and experience of foreign trade	tacit knowledge regarding the operations and personnel of the firm	high personal risk, hard to be substituted, no substitute at the moment
<i>Logistics Manager</i> age: mid 50's education: technical college	a combination of skills, knowledge and experience on logistics, warehousing and facility management etc.	as a combination 6 month-year	lots of tacit knowledge of the operations of logistics and warehousing due to long experience	high personal risk, no substitution arrangements at the moment
<i>Accountant</i> age: early 30's education: business college	the newest knowledge of bookkeeping and balancing of accounts combined with the knowledge of firm-specific operations	about 6 months	at the moment could be imitated, however, a strong will to develop the job description towards controller tasks and towards firm-specific and tacit knowledge	financial manager as a formal substitute, however not on bookkeeping or on annual accounting procedures

The Management assistant was evaluated as a key employee because of her strategic knowledge of foreign trade. The traditional secretarial skills are not rare in the labour market, but due to her special knowledge she is assessed to be replaced in a longer period of time (approximately in six months). Her strategic position between the personnel and the owner-manager has provided her with a good view of all operations in the firm and, thus,

with a lot of tacit knowledge of the firm. In regard to the organisation, the personal risk is high because there are not any substitution arrangements in the firm. Next, *the Logistics Manager* has a wide range of tasks, too. The combination consists of ware housing, logistics, facility management, security etc. Because of the combination he is evaluated to be replaced only in a fairly long period of time. Due to his long history in the field he possesses a lot of tacit knowledge especially of logistics, and thus he is imperfectly imitable. Moreover, there is high personal risk because there are not any substitution arrangements made at the moment. *The Accountant* is the youngest (both in age and career) key employee and, thus, his future potential was the attribute which classified him as a key employee, otherwise the rareness or imitability would have dropped him from the category. In spite of the future potential, his current work as an accountant includes high risk because he is the only person to do the bookkeeping and the annual accounts in the firm at the moment (the Financial Manager acts only as a formal substitute). As a person with the newest knowledge on financial issues, he is assessed to be highly valuable for the firm.

4.1.2. The Key Employees in Firm B

Firm B, a limited company, was founded in the year 2000 by three persons who are still partners and employed by the firm. The business idea was to provide the customers with comprehensive software solutions in the field of telecommunications. Since the start the enterprise has been funded by venture capital companies which have their representatives on the board of managers. In the year 2002 (the year during which the thematic interviews were accomplished) there were 22 employees working in the firm. All the founders of the firm are still working in the firm: the Owner-Manager (CEO)²¹, the Vice President (professional services) and the Chief Technical Officer. The turnover of the first accounting period was over 620 000 €, and due to the product (i.e. software) development phase the cash flow has been negative. The firm is located in the start-up phase of its life cycle, and due to venture capital funding the expectations regarding the growth as well as internationalisation are high.

²¹ The title CEO (Chief Executive Officer) was officially used in Firm B. In this research both terms Owner-Manager and CEO are used.

The analysis of the key employees in Firm B was made by the Owner-Manager (CEO) during a consultative discussion during which the researcher presented the identification framework of key employees. First, the Owner-Manager (CEO) presented the whole organisation and the human resources of the firm. Then each person was analysed separately by using the identification criteria. Actually, the process of identification was fluent lasting about two hours. For the researcher it became evident that the Owner-Manager knows his personnel thoroughly and, thus, it seemed that the tacit knowledge regarding each employee's background and working experience was the clue to the fluent identification. The analytical working method of the CEO was admirable. The background of the CEO having been a researcher with a PhD qualification had their effects in the process. Each person was analysed step by step comparing the criteria with the person's knowledge, skills and experience. Finally, the CEO made the analyses of himself using the same criteria. During the self-analysis he looked at the matrix of other key employees and said that *"I'm the only person of these who could be analysed not to be a key employee. There are always managing directors available in the market."* However, the researcher encouraged him to make the analysis as the idea was to take an overlook of the whole personnel including the Owner-Manager. After finalising his analysis, he stated that *"I'm replaceable, but if I would leave the firm, this would cause dramatic effects on the whole firm because most of the personnel as well as the investors consider that I'm the firm"*.

Finally, seven key employees of the total of 22 employees were identified (Table 6). In the table and in the following chapters the key employees are presented in a random order and, thus, the order does not indicate any comparison regarding the strategic priority of key employees. The *Owner-Manager (CEO)* evaluated himself as an expert in the field, but he assumed that this knowledge could be bought from the labour market. However, his replacement would affect changes in the whole organisation due to his strategic combination of roles (expert, owner and manager). As he is the founder, he possesses a lot of tacit knowledge which prevents direct imitation. As a founding partner his position enables effective working in the firm, but, also, a high level of personal risk. As *Vice President (sales)*, he has a wide personal network as well as knowledge regarding the clients, making him highly valuable for the firm. In addition, his approximate replacement period is about six months. The imperfect imitability is strengthened by the membership in

a resource bundle consisting of other key employees (as is the case with other vice presidents, too). As a strategic employee an agreement regarding the prohibition of competition is made in order to diminish the personal risk. The same kind of agreement is made with other vice presidents, too.

Table 6. The key employees in Firm B.

Questions/ Employee	a) The question of value	b) The question of rareness	c) The question of imitation	d) The question of organisation and risk management
<i>CEO</i>	expertise on telecommunications	could be replaced but this would have effects on the whole organisation	a lot of tacit knowledge of the firm gained as a founder	a founding partner
<i>Vice President, Sales</i>	the wide network and the knowledge regarding the clients	about 6 months	hard to be imitated (as one member of a bundle consisting of other vice presidents)	agreement of prohibition on competition
<i>Vice President, Professional services</i>	the personal competence on consultancy	there are consultants available; this, however, would have effects on the whole organisations	hard to be imitated (as one member of a bundle consisting of other vice presidents)	agreement of prohibition on competition
<i>Vice President, Development</i>	the experience on product development projects, ability of team leadership	can not be replaced without effects on the whole organisation	hard to be imitated (as one member of a bundle consisting of other vice presidents)	agreement of prohibition on competition
<i>Chief Architect</i>	young, bright, competent and has visions: experience of software companies	in Europe hard to be found, would be very expensive to be replaced and if replaced the product should be changed	the special knowledge and experience of the software hard to be imitated	agreement of prohibition on competition
<i>Chief Financial Officer</i>	previous experience of the work of financial issues in the start-up firm	could be substituted in 2-3 months because the current job underutilizes her skills. However, her experience is essential for the future growth.	Due to long experience and deep knowledge of the financial issues of the firm hard to be imitated. The routine part of the work is imitable.	committed by the expectations on the more challenging tasks in the future
<i>Chief Technical Officer</i>	the background on technical telecommunications	in Europe hard to be found, would be very expensive to be replaced and if replaced the product should be changed	a lot of tacit and firm-specific knowledge of technical telecommunication	a founding partner

The Vice President (professional services) has the competence of consultancy, which is highly valuable for the firm. This competence can be found in the labour market, but replacement would affect changes in the whole organisation because of his strategic and synergetic role in the firm. *The Vice President (development)* is highly valuable because of his expertise on product development products. Also, he is evaluated to be a competent team manager and, thus, he can not be replaced without effects on the whole organisation (e.g. other employees leaving the firm at the same time). Because of the future potential as well as of his current competence, *the Chief Architect* was assessed to be highly valuable to the firm. In addition, among key employees he is the key employee who is hardest to replace. First, because there are not persons available in the European labour market and, second, the replacement would affect changes in the product. His special knowledge is imperfectly imitable, too. Moreover, the personal risk is diminished by the agreement on prohibition of competition.

The evaluation of *the Chief Financial Officer* is interesting, because her knowledge and skills are under-utilized at the moment because of the non-complexity of financial tasks during the start-up phase. Thus, the key employee is fairly fast replaceable. However, her long experience, knowledge and skills are essential for the growth strategy of the firm. Thus, a part of her current work could be imitated, but as she already acts as a discussion partner in financial matters with the Owner-Manager, the whole range of her tacit knowledge is 'activated' and, thus, very hard to be imitated. The personal risk of turnover is diminished by a 'psychological' contract between the Owner-manager and the Chief Financial Officer: the future growth of the firm will provide her with vast possibilities for the use of her competence (especially the strategy of internationalisation). The Chief Technical Officer's experience in the field is highly valuable for the firm, too. His knowledge is hard to buy in the labour market (cf. Chief Architect). His expertise is imperfectly imitable, and as a founding partner he is 'tied' to the firm, and as a person with special knowledge the personal risk is regarded as high.

4.1.3. The Evaluation of Conceptualisation and Identification of the Key Employees

In this dissertation, the conceptualisation of the term 'key employee' as well as the framework for the identification were constructed upon the resource-based theory assuming that the resources having four attributes (value, rarity, imitability and substitutability) can be the sources of sustained competitive advantage and, thus, critical and strategically relevant (see Barney 1991b; Fladmoe-Lindqvist & Tallman 1994). Consequently, Barney's (1994b:4) VRIO-framework (V = valuable, R = rare, I = costly to imitate, O = efficiently organized) was revised. As a result specific questions were formed on each criterion in order to assess each employee in the firm. If the answers to all four questions were positive the employee was identified as a key employee.

During the research process the framework was conducted in two case firms resulting in the identification of a total of twelve key employees. The identification was made by the owner-managers and with the presence of the researcher to ensure the understanding of each criterion. As the size of the firms was in the category of 'small-firms' having 10-49 employees the owner-managers knew individually the employees and the assessment process went without hesitation. In addition, the owner-managers made a self-evaluation of themselves. In this sense, the owner-managers' widening awareness of their human resource is regarded as one of the most important contributions of the research. Actually, both owner-managers made, for the first time, a conscious and holistic evaluation regarding the human resource in their firms.

The first criterion for the identification is 'value'. Thus, an employee who uses his/her skills, knowledge and experience in order to exploit opportunities and/or neutralize threats is analysed to be valuable for the firm (see Barney et al. 1994: 5). Thus, a person with skills, knowledge and working experience is not directly identified as valuable unless he or she can be assessed to use them accordingly. In this research the criterion was created by using the function $P=f(A,M,O)$ according to which the individual performance is the combination of ability, motivation and opportunity.

Therefore, the specific questions were: "What is the person's combination of skills, knowledge and experience in regard to the firm's strategy and how motivated is the person to use the combination? The common feature of this criterion was that the identified key employees actually had a special combination of skills, knowledge and experience in regard to their tasks. The key employees had deep and in most cases newly updated knowledge and skills as well as working experience which was gathered from other firms, too. The exceptions regarding the deep task-specific knowledge were the owner-managers who had the holistic view of the whole firm or the holistic view of the whole sector in which the firm operated. An interesting phenomenon was that in both case firms the deep task-specific knowledge was not tied to the key employees' age or to the length of the career. Rather, the young and highly motivated key employees with future potential were regarded as highly valuable for the firm as they had been able to form a combination of the newest knowledge, skills and experience, actually, in a fairly short period of time. Thus, even the young and just graduated employees have potential to become key employees in the firms if they are provided with the possibility of working on challenging tasks and using their potential fully.

The second criterion 'rareness' means the availability of a similar resource in the labour market. The criterion was measured by an estimation regarding the length of the replacement period. In this research, the estimated period for the replacement varied from two months to an immeasurable period of time. Actually, it was the key employee's special combination of skills, knowledge and experience which affected the estimated length of the replacement period. Also, with regard to the person whose replacement period was estimated to be 2-3 months, her current job underutilized her skills and, in fact, she was identified as a key employee because of her competence for the future growth. Moreover, the person's central role in the firm made the period considerably longer. In some cases the key employee was identified not to be able to be replaced at all. In these cases the leaving of the person would cause dramatic organisational and/or operational effects on the firm. In all, the criteria value and rareness can be seen to be closely tied to each other. The more specific or complex the combination of skills, knowledge and experience, the longer is the period of replacement.

The third criterion '**imitability**' can also be seen as a continuation of to the first two criteria. The parts of this criterion are tacit knowledge, firm-specificity and social complexity. Actually, with regard to this criterion the special question is how closely the person is connected with the firm, not only as a single person, but rather as a part of the resource bundle. The long working experience in the firm was seen to be the way to create tacit as well as firm specific knowledge and, thus, the working of the key employee was seen to be hard to imitate. The common tasks of the firm were seen to be imitable but if the person was an active member of a bundle (e.g. the management team) the imitability was evaluated to be harder. Thus, a highly competent person who has knowledge, skills and experience could be evaluated as a key employee only if he/she is ready to share his/her knowledge and be a part of a bundle. Hence, highly competent individuals working with their own tasks can not automatically be identified as key employees if the imitability is possible. In this sense, this criterion encourages the employees to actively share the expertise for the common use in the firm.

The fourth criterion is '**organisation and risk management**'. This criterion emphasises the right positioning of the resources in order to exploit fully the resources (Barney 1994b:14). Moreover, the person's specific risk is evaluated regarding the risks of personal turnover or absence. On this criterion the two case firms were totally different. In one firm, the risk of personal turnover was taken into account by making the agreements of prohibition of competition whereas, in the other firm, no actions regarding the risk were made. An interesting phenomenon was that the '*psychological agreement*' was especially strong on one key employee: the future expectation of the more challenging work in the future 'tied' the person strongly to the firm. Moreover, the actions which supported the sharing of the knowledge (e.g. the resource bundles) seemed to diminish the accumulation of the personal risk. A surprise for the researcher was that the arrangements regarding the substitution of the key employees were minimal. Even though there were official substitutes nominated, in practice the persons seemed not to share the knowledge and, thus, the personal risk remained high. In all, the key employees seemed to carry remarkable high personal risk. However, some actions were made in order to diminish the risk (written agreements, substitution arrangement etc.). To conclude, the clear vision for the future seemed to create

a strong 'mental' or 'psychological' agreement between the key employee and the firm and, thus, also the possibility of diminishing the personal risk.

In sum, even though in this research the empirical analysis of the framework is limited to cover two case enterprises, it can be concluded that from the entire human resource of the firm, the strategically most important individual employees can be originated by using the identification framework. The framework functioned as an analytic tool for owner-managers to assess the employees on the individual level including the owner-manager himself. Thus, the critical question is whether the evaluation has been correct, and whether these persons really are the 'right' key employees. In this research the identification was made by owner-managers who are responsible for planning and realising the firm's strategies as well as being the persons who have the main power to make decisions. In this sense, the persons identified as key employees are key employees from the point of view of strategic management: these are the persons with whom the owner-manager unfolds the strategy. However, it should be emphasised that the use of this framework should take into account the context and situation of the firm and, thus, the number of persons assessing the human resource has to be considered in order to recognise the strategic human resource.

Next, we will shift to the discourse analysis and provide the key employees of Firms A and B with the possibility of talking and, thus, of constructing their interpretations regarding the development of human resource.

4.2. The Discourses Produced by the Key Employees in Firm A

4.2.1. Financial Manager

The financial Manager is a woman in her fifties, and she has worked for the company for eight years. In spite of financial matters, she works on personnel issues and is responsible for the quality system (EN ISO 9002) of the company. Her team consists of three office clerks including the Accountant who is identified as one of the key employees, too. The discourses were named as follows: 'Age', 'Money', 'Motivation' and 'Independency' (Figure 9).

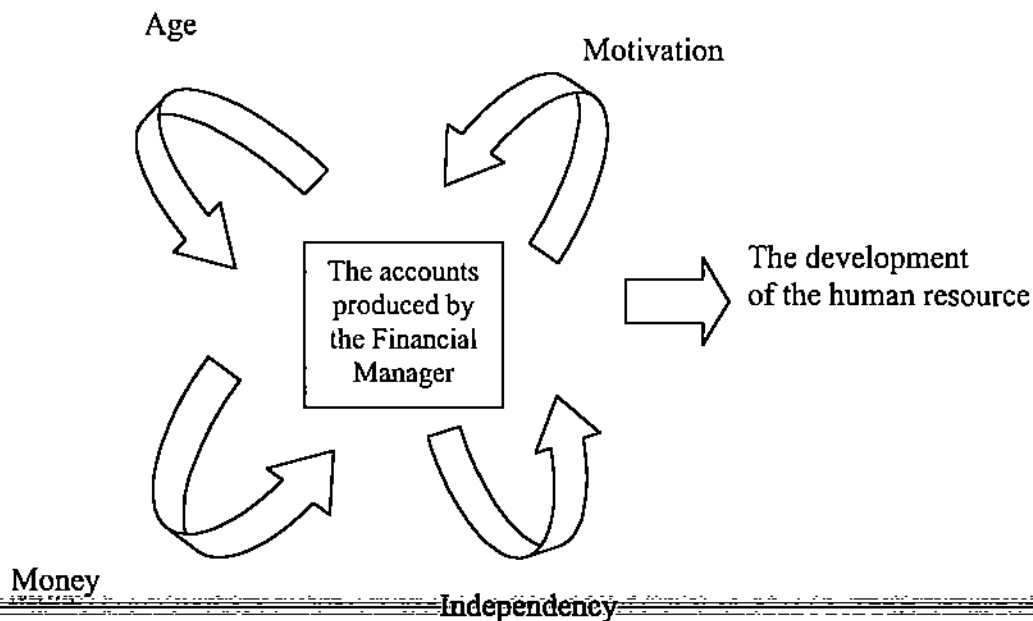


Figure 9. The discourses produced by the Financial Manager.

'Age' discourse is the most dominant discourse produced by the Financial Manager. In fact, the discourse was counted to appear eighteen times during the interview. In sample a.1., the theme is the long experience of the key employee. However, at the beginning of her answer she changes the discussion towards the problems of the aging employees and states that experience can be a problem for the firm, too. In sample a.2., she focuses the problem on the motivation of the aging employees – especially employees over 50 years old, and she describes the problem more clearly in sample a.3. and explains that the persons over 50 are stuck to the old and, thus, younger employees are needed. As the Financial Manager is in her 50s, too, she is almost 'hysterical' to keep her knowledge updated (see sample a.4.). However, she has noticed that perhaps the lack of motivation is not totally explained by the age (see sample a.5. and the example of a Finnish philosopher in his 80's). This interaction between the 'Age' and 'Motivation' discourses will be discussed later in this chapter.

Sample a.1. Researcher: *So you have a long experience in the field*

1. So it can also be a problem uh. it can be seen at least in our
2. firm. I have a lot of fears for the change of work (.) and I should

3. be replaced as all other persons over fifty [laughing].

Sample a.2. Discussion on the theme 'personnel management' and 'the recent years in the firm'

Researcher: *Hmm*

1. We have quite a lot and quite, uh, many persons who have left
2. the company already, and there have been people in their fifties
3. who have not had motivation...

Sample a.3. *So the experience is also needed here?*

1. Yes some kind of. (1.0) there is no doubt we need to
2. have new blood in order to get innovativeness so that not all are
3. over fifty years and stuck to the old and do all thing as they
4. have been done earlier and if you try something new it does not succeed.

Sample a.4. Discussion on the theme 'an ideal employee in the firm':

1. But I have thought that, uh. I am at that age too (.) that
2. what makes the people over fifty become as they are (.) that you
3. can't get anything of them (.) and I am almost hysterical
4. that I will keep my knowledge up to date and as I have discussed
5. with my husband quite a lot. He has said that he really would not like
6. to retire in his fifties And it has been ever since I came here the
7. people [i.e. the fifty year-old employees without motivation]. The
8. problems were already when they were in their forties.

Sample a.5. Researcher: *"Do you know what issues are hindering the development?"*

1. You know, it is everywhere else, too. I have discussed with others that
2. there is something wrong in the society. If we think about persons who
3. have worked with their brains for decades e.g. George Henrik von Wright
4. [a Finnish philosopher] and even today in his 80s writes fresh opinions
5. and he has points of view on many issues . So why aren't we able to
6. renew ourselves? So the situation is thrilling...

The second discourse is called 'Money'. The discourse is presented in the samples a.6.–a.8. In sample a.6., the key employee in the first line avoids starting the answer to the researcher's question regarding self-development. After the avoidance section in the first line, the key employee, actually, says that she has not dared to develop herself as it causes costs to the firm. Interestingly, in sample a.7., the discussion is on the limited time resources (as the current autumn has been very busy for the key employee), but the key employee again begins to talk about money (i.e. lack of financial resources) and the training

costs. Actually, the key employee echoes – apparently without noticing it – that her skill base was already completed before her recruitment to firm A (to this key employee it happened already eight years ago) of the key employee (cf. Hendy et al. 1991: 71). On the discussion regarding the future and the key employee's occupation in three years' perspective (see sample a.8.) the current scarcity of money (or the assumption of the scarcity) appears as a wish that the lack of money would not be a problem any more. In line 3 (sample a.8.) we can find an interesting change of the discourses. After a short pause in line 3 the key employee changes 'Money' to 'Motivation' discourse. By mentioning that the imagination of the endless financial resources is said ironically, the key employee sees that the financial resources will be limited in the future, too. Particularly interesting is the phenomenon that in the 'Motivation' discourse the lack of financial resources is not any more the obstacle for the development.

Sample a.6. *Researcher: "How have you been able to develop your skills?"*

1. Oh, I have always collected that information and oh always got the
2. information needed. Uh it is uh it is more uh which is linked to my
3. development is uh it is the money which is an important thing and I have
4. not dared to go and it has been more regarding the information systems and
5. I have acquired information on my own and participated in many kinds of

Sample a.7. *Discussion on the training and the limited time resources*

1. There have been a lot of interesting courses, but as I earlier said
2. there are those financial matters. As the courses have been quite
3. expensive and actually I was trained a lot by the Bank (i.e. the previous
4. employer).

Sample a.8. *Discussion on the key employee's occupation in three years' perspective. Transition (→) from 'money' discourse to 'motivation' discourse.*

1. Oh that is something I haven't thought before [laughing]. Of course, that
2. you have a lot of money [laughing] and that you could spread it all over.
3. But this is little bit ironic. (.) → But I am ready to do all kinds of work, I
4. am ready to study and keep my knowledge updated.

By producing the '**Motivation**' discourse the key employee actually eliminates some of the 'truths' produced in the 'Age' and 'Money' discourses. In sample a.9., she passes almost completely the question regarding the investment in human resources and starts to talk about the motivational problems in the sales department. Simultaneously, she eliminates the relationship between age and motivation: the employees in the warehouse were motivated

to be trained to a new computer system and to implement it whereas at the same time the persons in the sales department were not motivated to participate in the training. The same contradiction between the 'Age' and 'Motivation' discourses can be found in sample a.4: the problems regarding the willingness to participate in training were there already when the employees were in their forties.

Sample a.9. *Discussion on how Firm A invests in human resource development*

1. Surely, we should invest more. The training (.) uh plus and there are the
2. persons the certain persons for example I talk about the sales persons they
3. are problems for us. They have been here for a real long time and
4. if we set up training then no one wants to participate

Researcher: *Can you do something about it?*

5. That is something I have thought whether there is something I could do
6. [laugh] There are some positive things, too. For example when the new
7. computer system came to the warehouse, no one had used PCs in practice
8. but now the 'boys' make all by themselves. There was a man over 60 but
9. the change went so smoothly. You could have thought that the warehouse
10. would have been very difficult because the employees are mostly over
11. 50... First of all the motivation should be found in the sales persons. And I
12. have tried to discuss with the boys in order to arrange training which
13. could motivate, too.

Researcher: *How about you, do you think that if you have motivation to develop yourself, the Firm is ready to invest in your development?*

14. Yes, sure.

Researcher: *You have a long working experience and training background. What has been to most useful part of your earlier studies which is useful even today?*

15. Oh, that is that I have learned to learn. It is the most important thing.

Sample a.10. *On the discussion regarding the 'learning to learn' the researcher asked: "Is the learning to learn actually something which enables you to understand that you can learn every day 'on-the-job? ". The key employee's response was a short narrative about one of her office clerks in the accounting department.*

Yes, sure. You just notice that you can do this and that in a new way (1). It is exciting (1). I have an accountant in my department with whom I have tried everything. I knew that it doesn't take a long time to book the payable and receivable accounts. On those days the booking would have lasted about one hour per day. Before the computer system this had been her full time job. But when the new system was implemented, she didn't want to do anything else. It was done always like this (1). But then we discussed and discussed (.) in a demanding way, too. I thought that she would never learn the new systems. But she really learned. It wasn't the ability to learn but merely the barrier was too high to start the learning and to do something else.

Another contradiction between discourses can be found at the end of sample a.9. In 'money' discourse the key employee does not dare to attend training courses because of the scarcity of financial resources. However, in line 14 the key employee is certain that there would be resources in case she wanted to develop herself. Also, in the last line of the sample the key employee produces her own 'core' for the motivation: *the learning to learn*. Moreover, she stresses the importance of learning to learn by telling a narrative about one of her subordinates (see sample a.10.).

By producing the '**independency**' discourse the key employee emphasises her possibility of developing herself (e.g. sample a.13. line 1) and, also, of working independently (see sample a.15). The other side of the 'coin' is the loneliness in decision-making in her own department (see sample a.11 line 2). She describes a remedy for the loneliness which would be the discussions with other members of the management team (sample a.15.). The independency is not without boundaries: the key employee strongly announces (see sample a.13) that the firm is owned by her boss and she thinks that perhaps her position is different than the others'. In fact, in sample a.12. it can be seen that the members of the management team do not discuss their development together or at least in the firm there is not a common procedures for the development of key employees (or the personnel as a whole).

Sample a.11 *Discussion of the key employees' development on personnel issues*

1. There have been a certain kind of problems and they are not easy.
 2. There you are quite lonely and these are quite sensitive things when you
 3. manage and have worked with these persons for a long time. On those
 4. things you really feel that you are an orphan.
- Researcher: *So the working contracts and so on are on your responsibility, too?*
5. Yes
- Researcher: *How do you cooperate with other managers?*
6. If there are problems, then of course.

Sample a.12. Researcher: *How has your boss [Owner-Manager] encouraged your development?*

1. I always have been able to do what I have wanted. And there
2. hasn't been anything that I have not been able to do. Perhaps this is not the
3. case of other persons (.) I have not experienced that I would have not been
4. able to participate in training or other activities that I have wanted
5. [the voice quieting down]

Sample a.13. *Researcher: What do you think, can you influence the content of your work?*

1. Yes I do. I can do everything. There haven't been problems ever.
2. *Researcher: How is your process regarding the development?*
3. Well, yes I am so close to my boss and actually we all are. It is the
4. common discussion and of course what he [i.e. the boss] thinks about
5. issues. His opinion is very important. This is his firm.

Sample a.14. *Discussion on the support received from other members of the management team*

1. The meetings aren't held systematically...and we just discussed
2. that you really have to discuss with people and without hurry and it gives
3. you so much support ...

Sample a.15. *Researcher: What is the best part in your work at this moment?*

1. Oh. Certainly it is the independency and the possibility of organising the
2. work of my own and things like that. That's it.

As a result, the discursive world produced by the Financial Manager can be drawn (Figure 10). First, according to the 'Age' discourse there seems to be a relationship between the age of the employee and the motivation for the development. According to this relationship the older the employee the less motivated he or she is for the development. However, according to the 'Motivation' discourse age does not fully explain the differences in motivation among employees (as e.g. the key employee is motivated even though she is already in her 50s). According to the 'Independency' discourse there seems to be a relationship between the independency at work and the motivation for the development. Another contradiction can be explored between the 'Money' and 'Independency' discourses. According to the 'Money' discourse there is a lack of financial resources for the development and, therefore, the key employee thinks that the costs of training and development are not allowed. However, according to the 'independency' discourse there is a freedom to make decisions regarding the development whether the key employee just makes proposals for e.g. training courses. In sum, in the light of this discursive world the following aspects describe the development of human resource:

- The key employee acquires the new knowledge independently, not daring to occasion costs for the firm. This is partly explained by the idea that the key employee considers that her skill-base was already established in the phase of her recruitment nine years ago.

- Age is seen as a strong factor – but contradictory, too – affecting the motivation on development among employees .
- The key to the desire to self-develop was based on the fact that the key employee had *learned to learn* before entering working life.
- There is a desire to diminish the feeling of loneliness in personnel issues by e.g. discussing with other members of the management team and solving the personnel problems by sharing knowledge.

As Jokinen, Juhila & Suoninen (1993) state, the social reality is a complex entity and, therefore, an individual forms different identities (i.e. characteristics, duties and rights) for different discourses. For example, in the 'Age' discourse the identity of the financial manager can be called 'a person in her fifties', as for the 'Money' discourse the corresponding identity is formed as 'traditional accountant'. Moreover, in the 'Motivation' discourse the identity is expressed as 'a self-motivated person' whereas in the 'Independency' discourse the identity is constructed as 'a person in independent position'.

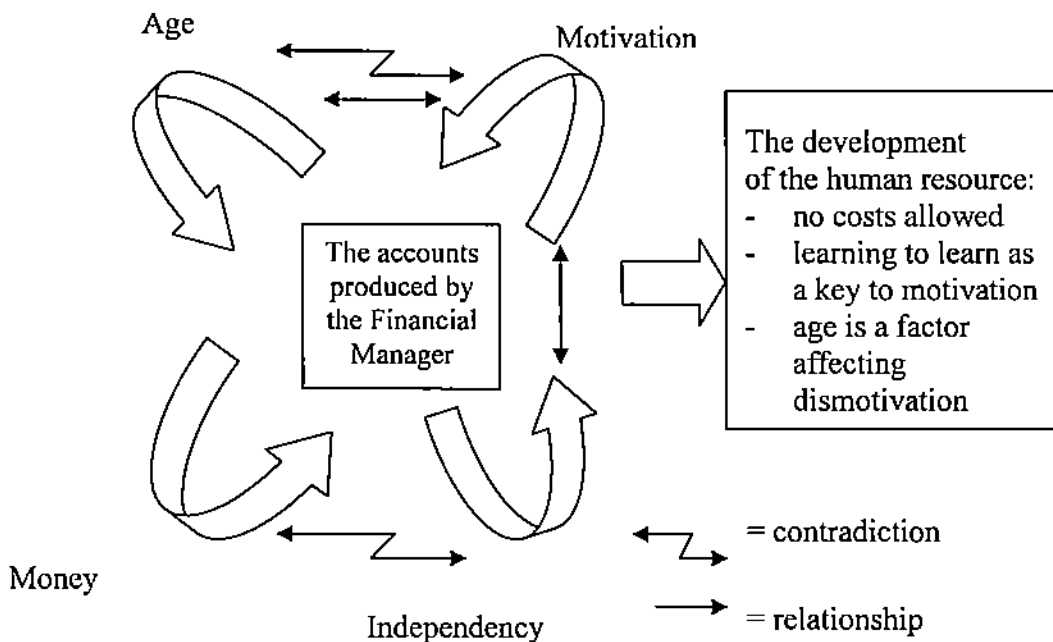


Figure 10. The interaction between the discourses produced by the Financial Manager.

4.2.2. Owner-Manager

The Owner-Manager is in his fifties and has worked in the firm for almost 30 years. He became an entrepreneur in his twenties having passed the matriculation examination.

Before that he worked in the firm during e.g. summer time and helped his parents. At the beginning of the 1970's he started to work full time and became Owner-Manager in the middle of 1970's after the succession process. Totally four discourses were constructed by the Owner-manager: 'Entrepreneurship', 'Searching for success', 'Managing employees' and 'Networking' (Figure 11).

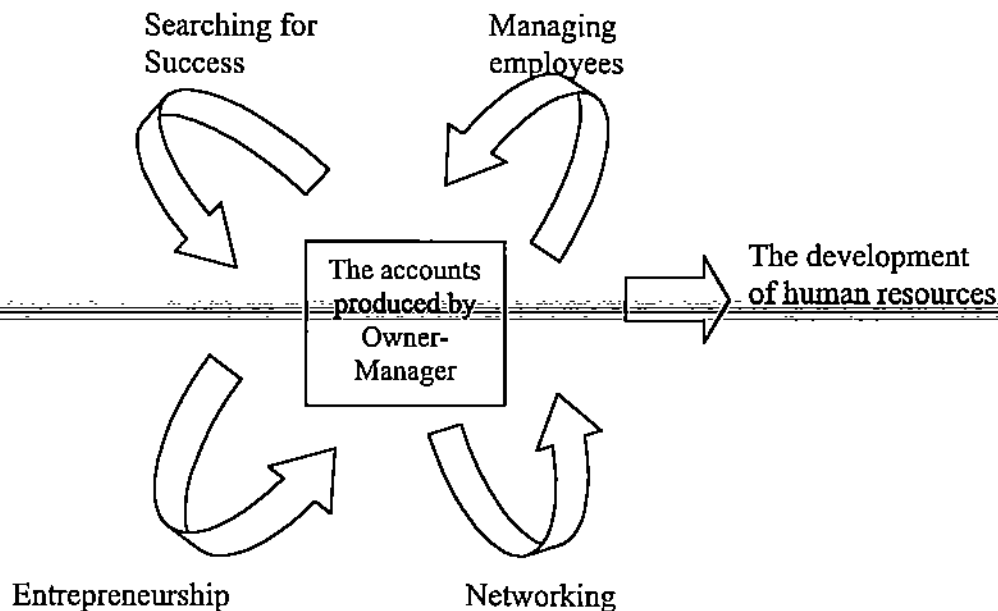


Figure 11. The discourses produced by the Owner-Manager.

The discourses were analysed on the basis of two separate thematic interviews between the researcher and the Owner-Manager. At the beginning of the first interview the Owner-Manager, actually, philosophises on the nature of the entrepreneurship in the Finnish society (sample b.1.). Thus, the most dominant discourse produced by the Owner-Manager in Firm A was called '**Entrepreneurship**'. The picture of the entrepreneur is clearly produced by the Owner-Manager. The entrepreneurship is rooted in the misery and poverty (sample b.1.) from which the desire to become successful (or even an idol to other entrepreneurs) is grown (samples b.3.–b.5.). The entrepreneurs are hard-necked persons devoting their time and efforts to their enterprises (sample b.4.). Being an entrepreneur means independency but as a counterpart loneliness (sample b.1. lines 9–10), too. Education could have helped the entrepreneur to avoid problems (sample b.2. lines 2–3),

but, as the Owner-Manager emphasised, the other side of the coin is that education could prevent the person from becoming an entrepreneur (sample b.1. lines 4–5).

As can be seen in samples b.2.–b.6., the ‘Entrepreneurship’ discourse is closely linked to discourses ‘Searching for Success’ and also to ‘Networking’ (the transitions between the discourses are marked with an arrow). In sample b.2., the transition phase is important regarding the key employee’s reasoning: If the firm does not grow you will stay as an ordinary entrepreneur and you will not become successful and, also, if you don’t remain independent you will not maintain your freedom. Interestingly, in the ‘Entrepreneurship’ discourse the active person is the Owner-Manager – setting up personal targets (sample b.3. line 4), categorising himself as one of those hard-necked entrepreneurs (sample b.4. line 11) ~~and, actually, excluding the personnel of the firm totally (in that sense the Owner-Manager~~ is alone, too).

Sample b.1. *Entrepreneurship (the roots)*

1. It can be said that in my opinion the entrepreneurship has its roots
2. in misery and poverty=of course this is a very stupid way to say so,
3. but it is a very very large part of it. And if you read especially the
4. surveys (0,5) on entrepreneurship in Finland, you’ll find that the
5. more educated you are the less you want to be an entrepreneur and
6. it is an axiom and I must say that I have that much of experience
7. and become more arrogant that to start as an basic entrepreneur is
8. (1,0) very stupid because of the obligations and all the payments to
9. the state. No one will ask you how you could have enough sales
10. and no one supports you...

Sample b.2. *Entrepreneurship (the freedom) and the transition (→) to ‘Searching for success’*

1. But if we think of the time when I came here my dad had a commercial
2. education from the 1930’s and as he hadn’t any money he was so
3. extremely cautious and had a principle that you should never borrow any
4. money which was a good principle if I think of it today. → However, the
5. firm couldn’t grow at all and it was very boring nibbling. There are for
6. example the shopkeepers of different chains but there isn’t a lot of
7. difference compared with the old tenant farmer system There is
8. not much of this kind of freedom in entrepreneurship in Finland any more.

Sample b.3. *Entrepreneurship and the transition (→) to ‘Searching for success’*

1. I came in the 1970’s because my mother had to go to the hospital and I am

2. still on that path (1) which is quite sad because a certain kind of education
3. would have saved a huge amount of things. And if we take a look at this
4. firm in those days we set up clear targets and → personally my target was
5. to become successful: a little bit money, good accommodation and things like that...

Sample b.4. *The discursive transitions (→): 'Entrepreneurship', 'Searching for success', 'Networking'*

1. We were a tough player at those times and it was very rewarding time for
2. us → and since the 1980's the venture capitalists started to contact [He
3. continues discussion by describing some examples of mergers] but we
4. have wanted to be independent. It is a
5. kind of question of contentiousness and if you want an example of
6. contentious entrepreneurs just read the latest 'Talouselämä' magazine [the
7. owner-manager tells an example of a family-owned enterprise situated in
8. the same industrial area]

Researcher: I actually read the article and it was very interesting

9. → I just discussed it with the owner of the company and we discussed what
10. we will do. It is so good for you that the whole street here is full of this
11. kind of stiff-necked entrepreneurs. → Of course the most successful has
12. been the family Virtanen²² from the Company Z Ltd...

Sample b.5. *'Entrepreneurship' and transition (→) to 'Searching for success'*

1. Is entrepreneurship (.) is it a disease or what?
2. A Finn goes on when it is hard and miserable but when the things are well
3. it becomes so tough because you are not used to it...

Sample b.6. *'Entrepreneurship' and transition (→) to 'Networking'*

1. If you want to manage this kind of firm you reserve the time needed for it.
2. I have had my principle that I devote all my time in the world to my firm
3. and all other things become after that. And has that been wise or not, that
4. is something I can't say, but certainly quite often you feel that you have
5. made wrong decisions. → But the truth is that the better way to learn is
6. that you communicate with real people who work in different parts of
7. the world and there is the difference between travelling and business
8. travelling (.) you really can have a panoramic view on all things...

As it was already mentioned, 'Networking' discourse is related to 'Entrepreneurship' discourse (sample b.6.) i.e. the loneliness of the entrepreneur can be conquered by networking. Thus, the learning is seen as learning from others' experience and learning by

²² The name of the family and the company are changed by the researcher

meeting people – especially other entrepreneurs (see sample b.9.). The importance of the networking can be understood also by the phenomenon in which the personnel in the firm are not seen as a resource of sharing experience and knowledge. In other words, the learning is possible only outside the firm. In samples b.6 (lines 6–7) and b.7., another aspect of networking can be found i.e. the possibility of widening the perspective (e.g. regionally).

Sample b.7: *networking*

1. This industrial association has been very good for me in that sense that I
2. have learned to know the decision makers in this city and also I have
3. created very close contacts with them. I don't know whether there has
4. been any financial benefit of this but uh uh (.) but it has been very nice to
5. be a member of working groups in which you just try to think of the future
6. of this region in the perspective uh of about (:) twenty years.

Sample b.8.: *networking*

1. then I have been a member of different working groups of the chamber of
2. commerce or so and then in the wholesale association and some other.
3. I have been on different boards which has given me a large
4. knowledge and information network and also a network of friends
5. from different fields...

Sample b.9. *networking*

1. for example the managers and owners in the association, so to say, are
2. mentors to each other and try to find answers

In discourse 'Searching for success', the driving force for an entrepreneur is the possibility of becoming successful (samples b.3., b.10.–b.13.). In sample b.3., (lines 4–5) the aim of becoming successful is stated. As the success of the firm is the result of the work of the Owner-Manager, the learning from other persons' experience becomes an essential part of the development of the Owner-Manager. Actually, the Owner-Manager mentions many successful entrepreneurs from previous years who have acted as idols to the Owner-Manager (see sample b.11.). An interesting phenomenon is that the networking with other entrepreneurs running firms of a similar size (or smaller) was not appealing (see sample b.13.). Thus, learning from other persons' experience is limited to the successful entrepreneurs who have effectively developed their firms. Also, the Owner-Manager is

aware of the fact that even if the driving force is the search for success, there are also risks if the success is finally reached (see sample b.12.).

Sample b.10: *'Searching for Success' / idols*

1. For a young entrepreneur, as I was in those days, there (in seminars for
2. entrepreneurs) were successful entrepreneurs telling their stories which
3. were really incredible and most of those companies still exist today.

Sample b.11. *'Searching for Success' / idols*

1. There were (giving presentations of their companies) Mr Kari Suominen
2. from Amerplast Ltd. and Mr Leo Laine from Lokari Cars Ltd and (1) they
3. were very strong personalities and and (1) there were many really
4. successful entrepreneurs those days who had reached about ten to twenty
5. million turnover and they employed 50-100 employees and their
6. ~~companies were growing and they planned exporting the goods. It was~~
7. inspiring. I went there because I didn't have an educational background
8. and tried to obtain knowledge.

Sample b.12. *'Searching for Success' on discussing the theme 'what has been the most important thing that you have learned'*

1. Unfortunately I have to (0,5) that the truth is that there aren't any short cuts
2. to success. There isn't anything but work so, that your working days are
3. long and that if some day everything goes well you know that there is a
4. short way to go down again ...

Sample b.13. *'Searching for Success'*

1. In the first phase as I was asked to join the local association for
2. entrepreneurs I said that I have got enough of being entrepreneur in a small
3. business: I know how boring it is.

An interesting phenomenon in analysing the discourses produced by the Owner-Manager was the role of personnel in the firm. The discourse 'Managing employees' is presented in samples b.14.-b.17. First, the glossary was based on the Owner-Manager himself ("I") or on the firm ("The firm has to be awakened") and, therefore, the employees – or even the key employees – were located in the background. Secondly, the position of the Owner-Manager towards the personnel was mainly based on a top-down relationship. The top-down locus can be rationalised by understanding that the human resource is seen as a resource which is already established (cf. Hendry et al. 1991: 71) rather than a resource which should be

actively developed and which could actively participate in developing the firm together with the Owner-Manager²³ (see samples b.16.). According to this discourse personnel training is arranged in those situations when the firm is forced to do it (see samples b.14. and b.17.). Moreover, as seen in sample b.17., the Owner-Manager has noticed that the aging personnel should be 'awakened' and, thus, the prevailing principle that the human resource is established in the moment of the recruitment does not function any more.

Sample b.14. *Managing the personnel*

1. Because the computing systems were changed and as we moved at the
2. same time then we needed quite of lot of special staff and we were
3. forced (0,5) to arrange internal training

Sample b.15. *Managing the personnel / the discussion of the daily management work*

1. I have considered myself to be a kind of idea bank which provides
2. them [i.e. employees] with those kind of issues which they
3. have not noticed and even though they would have noticed
4. and have not done that...

Sample b.16. *Managing the personnel / the discussion on the role of the personnel in the firm*

1. In the eighties as we had the construction department, also, then we
2. bought quite a lot of technical knowledge and at a maximum we had
3. six engineers as the customers required that..

Sample b.17. *Managing the personnel*

1. At the moment we have to awaken the firm and it was yesterday that I
2. discussed that we will arrange training in August in order to awaken the
3. whole firm to the reality of today and to these figures. After that we will
4. look at who are willing to be with us and who won't. I probable already
5. said that the problem is (0,5) that the average age is quite high and that is
6. something I work hard to solve the problem. As we just talked about the
7. computing training also (.) we at the moment (.) we have to change some labour
8. force or new labour force if the old ones
9. aren't able to change or if we don't get more language skills
10. and then we need more flexibility for these new things...

²³ compare with the idea of the loneliness of the Owner-Manager seeing the other – successful – entrepreneurs as a source of the development (see the sample b.11.)

In sum, the dominant discourse produced by the Owner-Manager was 'Entrepreneurship', in which entrepreneurship raised from poverty and misery providing the possibilities for the entrepreneur of achieving independency and freedom. However, as the entrepreneur is after all alone the focus turns outwards from the firm. Thus, there is a close link to 'Networking' discourse which acts as a source of widening the perspective inside the branch, regionally and even globally. Moreover, 'Networking' is a way to diminish the feeling of loneliness inside the firm. As the driving force of entrepreneurship is the search for success, the successful entrepreneurs act as idols for the entrepreneur and their experience and knowledge is an important part of the learning of the Owner-Manager. Particularly important was the notion that the role of the personnel – and even the role of other key employees – was somewhere in the background and merely in a passive role accomplishing ~~the ideas of the Owner-Manager. Following this logic the human resource of the firm is~~

accomplished by buying the needed skills and, therefore, training and development are seen merely as a means to solve problems which have already occurred (e.g. problems of the use of the computing system, motivation of aging employees etc.). In this respect, it can be concluded that there is a relationship between the 'Searching for success' and the 'Entrepreneurship' discourses. In addition, 'Networking' and 'Entrepreneurship' discourses are in close interaction. Also, there is a relationship between 'Entrepreneurship' and 'Managing employees'. In fact, a 'chain' can be found between the discourses. An example of this 'chain' could be that through networks the entrepreneur obtains new information, which is refined into new ideas which are delivered to the personnel.

To conclude, human resource development is seen from two different perspectives. First, the Owner-Manager himself focuses outwards from the company and, thus, the self-development takes place outside the firm: learning from successful entrepreneurs' experiences, changing his own ideas and experience with other entrepreneurs in the neighbourhood and refining new ideas gathered from the wide networks. Second, the human resource development of the personnel is merely based on the idea that the resource-base is bought as a complete 'skill-package' as the persons were recruited. As the years have passed, the average age of the personnel has risen and thus some measures should be taken in order to awake the 'firm'. Thus, training and development are merely seen as a

means to react to the problems which the firm has already encountered. These interactive relationships are described in Figure 12.

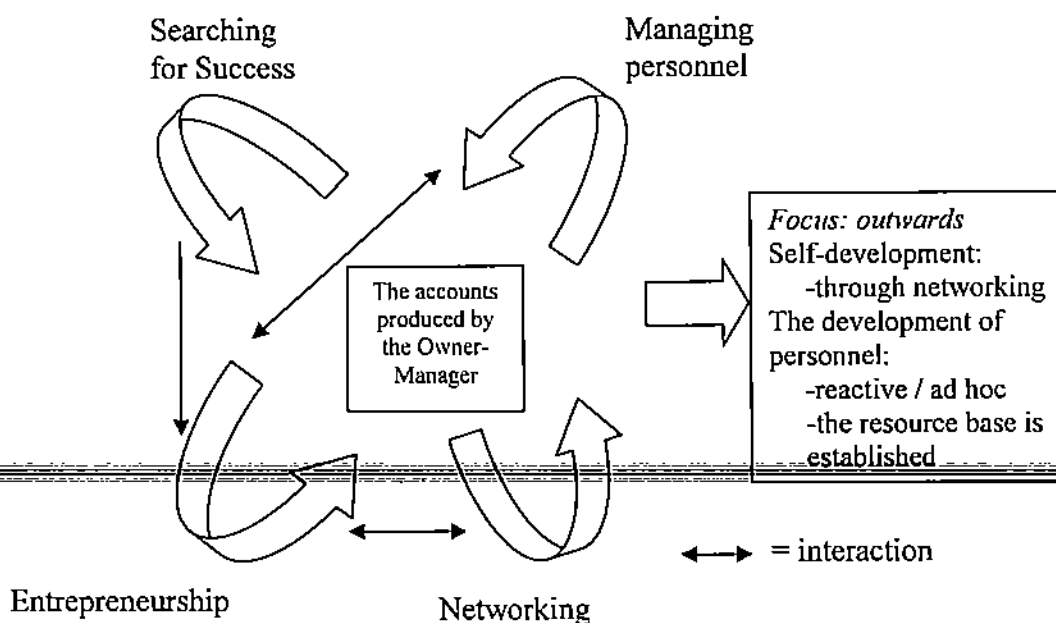


Figure 12. The interaction between the discourses produced by the Owner-Manager.

4.2.3. Management Assistant

The third key employee in Firm A is assistant to the Owner-Manager. She is the expert in foreign trade and, also, as an assistant, she is a person with a lot of tacit knowledge regarding the operations of the firm. The key employee is approaching her 40's and holds the secretarial qualification. She has worked in different positions in different firms in Finland as well as abroad. Also, in Firm A she has been responsible for different office and accounting tasks. One of the main duties in her job is the responsibility of foreign trade (contacts and correspondence). During the thematic interview she produced four discourses which were named: 'Self-development', 'Content of the work', 'Hard times' and 'Personnel training' (Figure 13).

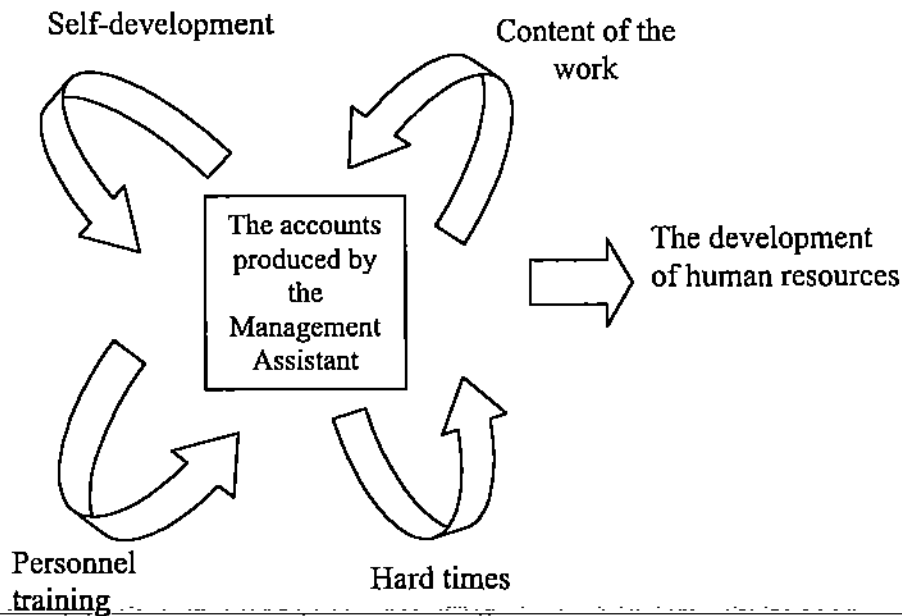


Figure 13. The discourses produced by the Management Assistant.

A main feature of the first discourse '**Self-development**' is the determinant role of the Owner-Manager. First, at the beginning of the interview the assistant tells how hard it was for the Owner-Manager to accept that she wanted to develop herself and target a higher qualification (see sample c.1.). As it is seen in this discourse, it has been very hard for the key employee to notice that her desire to develop herself and have a higher qualification is not supported by the Owner-Manager (i.e. her boss). This seems to be very frustrating for her in the sense that the training would support her daily activities as well as the development of the foreign trade in the firm as a whole (sample c.2. lines 1–2 and c.13. lines 13–14). The critical point in this discourse is the statement made by the Owner-Manager (sample c.2. line 5). Actually, the statement "Oh, then you'll find a better job" is the explanation of the reasoning why she was not supported by the Owner-Manager. The assistant mentions that perhaps the reason for the Owner-Manager's attitude, first, was that the Owner-Manager did not have any qualification (sample c.2. line 6–7); secondly, that the Owner-Manager wanted the assistant more clearly to concentrate on the secretarial work (sample c.3. lines 15–18). Thirdly, the learning in the firm is mainly done on-the-job and as learning by trial and error (see sample c.5. lines 6–7). However, the assistant says that the Owner-Manager has always been positive regarding short courses or seminars in case the person has asked him for that (sample c.4. lines 3–5).

Sample c.1. *On the discussion regarding the educational background*

1. and then a couple of years went by and as the college of secretarial studies
2. became a polytechnic I applied for continuing studies and I was accepted

Researcher: *okay*

3. But somehow it was A HARD THING FOR JAAKKO²⁴ [louder voice]
4. because he did not support me

Researcher: *hmm*

5. I don't know why and I haven't much participated in the training programme
6. and the programme is still in the beginning phase for me

Researcher: *But you are still registered in the school?*

7. Yes, inspite of that, I decided to hang on there

Sample c.2. *On the discussion regarding the educational background*

1. ...I hoped that I could have carried out the exercises here and linked them
2. to my daily work. As my main subject is foreign trade...

~~3. [later on the same discussion]~~

4. I don't know why this irritated him so much. The first words were:
5. "Oh, now you get a better job" [laughing]

Researcher: *hmm*

6. I have thought of this always and perhaps the reason is that he does not have
7. any qualification

Sample c.3. *'Self-development' and transition (→) to 'Content of the work'*

Discussion of the role of personnel in the firm

1. on the other hand Jaakko gives you freedom and that you really have to be
2. self-active, you should somehow present things and do more, you know,
3. ask more

Researcher: *okay*

4. that is something he would respect and respects more than if you just wait
5. for someone to come and tell you that you are going to be trained to do
6. this and that

Researcher: *hmmm*

7. self-actively seeking the...

Researcher: *and as you had self-actively searched new training possibilities there were some difficulties*

8. Yes, and as I understood I have to do my duties, that's okay for me. We
9. haven't discussed that afterwards and I have tried to start . It is a kind
10. 'black' issue for him and somehow he does not like it and thinks that I
11. should study on my own time totally. I don't know if he understands the
12. content of the studies in the polytechnic. There are excellent possibilities
13. of reading just those issues that would be needed here ° foreign trade or ° in

²⁴ the forename is changed by the researcher

14. principle every day you could link all things to your own work. That is
15. what I have many times thought and → perhaps he would like me to
16. concentrate more to be his personal assistant and secretary but this is of
17. course a small organisation and there aren't many career opportunities and
18. then you should make your own assumptions

Sample c.4. *Discussion of the development of the key employee*

Researcher: How do you obtain the newest knowledge?

1. Just doing my work here. It is the issue: the things are learned here.
2. It is okay but of course it would be supportive to study also what the
3. basic things could be. I remember participating in some courses and
4. different seminars. I can say (2) that Jaakko was very positive at least
5. when I was concerned. But you have to ask...

Sample c.5. *Discussion of the new information system and the need for training*

1. If I have understood correctly the system has been (.) wait a moment (1)
 2. about one and a half year and I have noticed that even if you learn
 3. by doing but if you look at others they do things differently...
- [later in the same discussion]
4. and all the time and all the time new things appear. "Oh,
 5. you can do this that way and so on"

Researcher: okay

6. Of course you learn from your mistakes but it is so frustrating and
7. it takes time and (.) you get grey hair and you become angry

The second discourse was called 'Content of the work' (samples c.3., c.6.–c.7.). This discourse emphasises the importance of the key employee's work (see sample c.6. line 5) and the reason for the importance is, first, that the person is trusted by the Owner-Manager (sample c.6. line 1) and, secondly, she has a wide understanding of the business (samples c.6. line 2; sample c.7. lines 4, 7–9). Thirdly, she seems to be trusted by other employees, too, because she works as a mediator between the management and other employees (see sample c.6. line 4). The position has provided her, first, with a wide perspective of the firm as a means to develop on-the-job (sample c.7. lines 2–4) and secondly, the possibility of working in a small firm with a wide variety of tasks (sample c.7. line 1). However, what has limited the possibilities of developing herself on-the-job is probably because the Owner-Manager would like – as an assumption made by the assistant – her to concentrate more on the traditional secretarial work rather than widen her knowledge of foreign trade (see sample c.3. lines 15–18). Actually, this risk of restriction makes her think about other career opportunities (see sample c.3. lines 17–18).

In sum, in the light of this discourse the small firm has provided the key employee with a possibility of seeing the whole entity of business life and with the possibility of doing work which she personally regards as important. However, the interest in higher level studies or qualifications is restricted, first, probably because the Owner-Manager does not have any qualification or, secondly, because the Owner-Manager does not understand the possibilities for a person simultaneously to develop herself and to develop the content of the work and functions of the firm.

Sample c.6. *'Content of the work', on the discussion on how to define a key employee*

1. (3) In my opinion [slowly] Jaakko trusts me and I have a wider
2. understanding of the business and my work is essential for the firm.
3. and I somehow have the kind of internal information or acting as a kind of
4. mediator between the management and the other personnel.

Researcher: Hmm

5. In my opinion this is important what I am doing and I think that [slowly]

Sample c.7. *'Content of the work', discussion on how to define of key employee*

Researcher: Hmm

1. And it is nice that you can do everything here and

Researcher: Okay and actually one of the themes is also: what have been the 'best lessons' you have learned here?

2. so (.) really certainly the best thing is that you have been able to see
3. business life and private enterprise and such from this kind of position
4. that you have got a comprehensive view of how the things function in reality.

Researcher: hmm

5. and how an enterprise functions and how the goods are delivered and I
6. have noticed many times and as I just came from my maternity vacation I
7. noticed that for some persons it is very difficult to understand the firm as a
8. whole. In my opinion they know some certain parts of the issues but
9. they don't understand their role in the entity. Actually,
10. that is the point.

The third discourse is called '**Hard times**'. There have been hard years ever since the recession from the beginning of the 1990's (sample c.8. line 3-4) and the competitive environment seems to harden in the future too (sample c.10.). Thus, in the reality of this discourse there are not any funds for the training or development and other issues have become more important (sample c.11. lines 3-4). However, this reality is not coherent. In sample c.8. (lines 3-6), it can be seen that the expectations of the Owner-Manager were high regarding the growth of the firm and, as this did not happen, the thinking of 'hard times' still remained. In sample c.8., (line 6), the assistant actually starts to defend the

Owner-Manager and, also, later in sample c.8. (line 8) and in sample c.9. (line 1), as well as, in sample c.11. (lines 4–6) the assistant emphasises the understanding of the Owner-Manager. Interestingly, the argumentation regarding the facts shows that there have been, there are and there will be hard times, but they will be followed by the showing of understanding of the Owner-Manager's actions. However, the assistant wonders about the Owner-Manager's idea not to invest in training (sample c.9. line 2–3). In this respect, it can be concluded that the 'Hard times' discourse is linked to the following discourse, 'Personnel training', which next will be analysed.

Sample c.8. Discussion on the role of the personnel in the firm

1. hmm (2) and we have had a lot of bad years though there have been good
2. times, too, and then it is easy to be a good manager too.

Researcher: hmm

3. and encouraging and all. And then the period from the beginning of the
4. 1990's as the recession years started so (.) it can be said that this [firm]
5. didn't grow as it was hoped and he [the Owner-Manager] has always
6. wanted a lot of volume and such. (2) that (2) he does respect the personnel,
7. of course, otherwise the firm couldn't survive. But let's say the kind of
8. respect is less to be seen lately, which is understandable also and (1) then we
9. have perhaps quite a lot compared to other firms of the kind of older persons
10. who have been for a long time here.

Sample c.9. Discussion on the role of the personnel

1. So I understand that also that there is the question of costs and money and
2. that we have had hard times but, I don't know, the money will be spent
3. if the same thing is done a hundred times, too.

Sample c.10. Discussion on the future of the firm

1. All the production [in the branch] will be transferred to China
2. and the competition will be harder. In China there has to be a
3. volume which counts. We will sell more and more items all the
4. time but we will get less and less money.

Sample c.11. 'Hard times' and the transition (→) to 'Personnel training'

1. The development has been in the background during the last
2. couple of years resulting from the fact at the years have been
3. tough and there has been a kind of survival [laughing] and other
4. issues have been more important. And I think that (1) this kind of
5. poverty that you can't provide the personnel with the kind of incentives
6. and it is the issue. → But I DON'T KNOW [louder voice] whether

7. the persons know or not that they can make proposals for training
8. issues. In my opinion there are so few employees requesting any
9. training the kind of shared training or something (.) the (1) kind of
10. information meetings or the kind (.) those are so exceptional.

As was already mentioned, there is a close link between the discourses 'Hard times' and 'Personnel training' (samples c.11.–c.13.). The lack of funding restricts the arrangements of personnel training (sample c.12. lines 1–3) even though the personnel would, however, be even flexible to attend training for example during weekends (sample c.12. line 4–5). In this discourse the assistant draws a picture of her as a person who has noticed the training needs and in a concrete way understands the personnel not being a passive resource-base, but are rather persons who could in certain circumstances be flexible and even self-active (sample c.13. lines 5–6). Thus, the keys to activate the personnel are, firstly, to provide information regarding the possibility of making proposals regarding the training possibilities (sample c.11. lines 6–10), secondly, to make decisions which are put into action (sample c.12. lines 7–9) and, thirdly, to understand that the employees are individuals with different development needs – especially in the case they are already older and persons who have done the same job for a long period (sample c.13.).

Sample c.12. *'Personnel training' / Discussion on the role of the personnel*

1. and then as I have 'raged' against the person who is responsible for
2. the training, the answer has been that it is so difficult to arrange
3. kind of (.) so called comprehensive training just at this time.

Researcher: *okay*

4. Yes. This sounds crazy. This is crazy because then I said
5. that the persons will be ready to come let's say on weekends...
6. [at the end of this theme the assistant said the following]
7. And we have made decisions (.) decisions (.) but there has not been
8. any control or checking in the end. I would say that the
9. computing systems...
10. Researcher: *And this will be repeated in your discussions?*
11. Will be repeated, yes, and then it follows that I have many times
12. heard the persons say that they won't say it any more because
13. I have said it already a million times and if anything doesn't happen
14. then so what. And this is however so frustrating.

Sample c.13. *'Personnel training' / Discussion on the role of the personnel*

1. There is something that I can't understand. Why you should
2. in the first place give up and throw away that kind of person [who is
3. not willing to change his/her working style] as you could somehow,

4. you know, guide the person and provide him or her with an
 5. opportunity to notice: "oh, it would be nice if you could learn
 6. something" and you really should be clever in guiding
- [later on in the same discussion]
7. It is the case that the person who does that kind of job which does not
 8. take the whole day will be frustrated and he or she really knows
 9. the situation and this can cause different kinds of even physiological
 10. illnesses. So I think that today that kind of clever, the kind of clever
 11. personnel management should be somehow and I (.) sometimes the
 12. persons are so different that not all the persons even though they would do
 13. the same job they do it differently (2) and however they reach the same
 14. end and finally if their own way of doing the work could be found...

In sum, the discourses produced by the Management Assistant were 'Self-development', 'Hard times', 'Content of the work' and 'Personnel training'. In the discourse 'Self-development' ~~the assistant describes herself as an active person looking for the possibilities~~

of developing herself as well as her functions (i.e. foreign trade) in the firm. In that discourse the appearance and the effects of the Owner-Manager are prevailing and, as was seen, contradictory, too. On the other hand the Owner-Manager's attitude was positive regarding the development and training but, for some reason, he did not support the idea that an employee should participate in a training which would lead to a higher qualification. Moreover, the discourse 'Hard times' affects the discourse 'Personnel training'. Thus, the lack of financial resources inhibits the training and development initiatives. However, it can be seen that the discourse 'Hard times' has become so strong that it prevents even the thinking that the training could prevent frustration (e.g. due to the problems of implementing a new computing system) and, thus, motivate the employees in their daily work.

Moreover, inside this discourse the assistant thinks that training could save the costs which are due to the ineffective use of new systems and to learning by trial and error. Also, the discourse 'Hard times' raises the question whether the 'Hard times' have become so strong and prevailing because the previous expectations of the Owner-Manager regarding the growth were not realised due to the recession at the beginning of the 1990's. In the discourse 'Content of the work', the work of the assistant is seen as that of a mediator between management and employees inside the firm. At the same time, the person has got a holistic view of the operations and personnel of the firm. The small firm has provided a

wide variety of tasks and the assistant sees herself as a 'knot' in the internal network of the firm. In this discourse, also, the existence of the Owner-Manager is prevailing because the development of the content of the work is, actually, restricted by the Owner-Manager.

To conclude, the discourse 'Hard times' affects the discourses 'Personnel training' and 'Self-development' by restricting the possibilities of developing individual key employees as well as the whole personnel (Figure 14). Also, the discourse 'Self-development' affects the discourse 'Content of the work' emphasising the interest of the development of the key employee's work. Moreover, there is a conflict between the discourses 'Self-development' and 'Content of the work' in the sense that even though the self-development is possible and, actually, *silently* encouraged by the Owner-Manager, the initiatives to develop the ~~content of the work are not supported by the owner (in these discourses the content of the~~ work of the assistant).

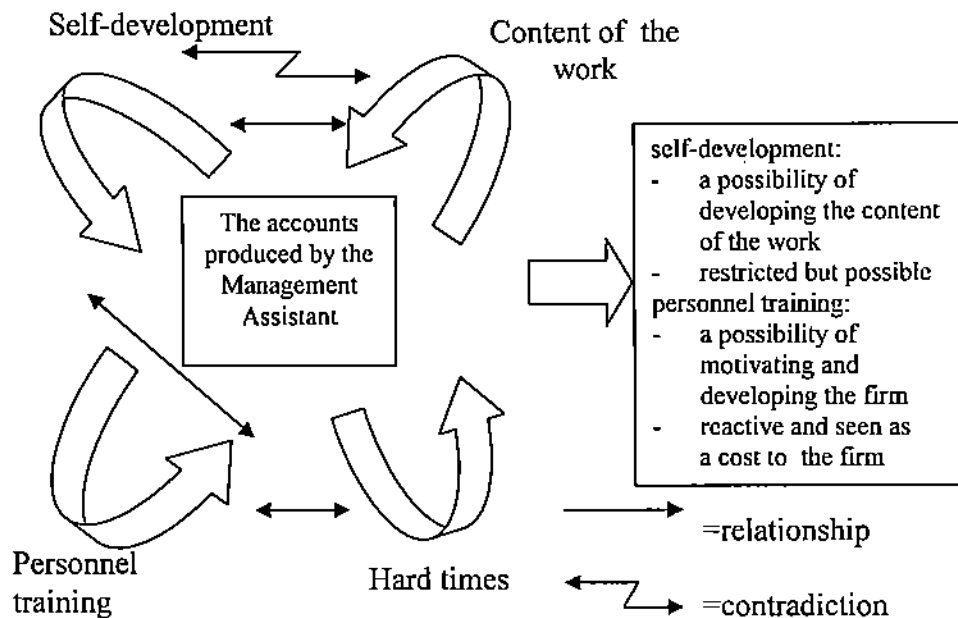


Figure 14. The interaction between the discourses produced by the assistant.

4.2.4. Logistics Manager

The fourth key employee works as Logistics Manager in Firm A. He is over 50 years old and has worked in Firm A for fourteen years. He works as a team chief having subordinates working in the warehouse as well as being responsible for the logistic services. Previously he worked in several private and public organisations having held different managerial positions as well as been responsible for different kinds of development projects in the field of logistics. The discussion with the Logistics Manager became an interesting part of the whole research process because of the strong linkage between the tone of the talk and the discourses. Mainly he used a cynical, sarcastic and partly ironic tone of talk. But remarkably, there was a drastic change of the tone as the key employee talked about his ~~team members – the tone of the talk became warmer and almost fatherly²⁵. The discourses~~

produced by the Logistics Manager were called 'Everyday realism', 'Team', and 'Self-development' (Figure 15).

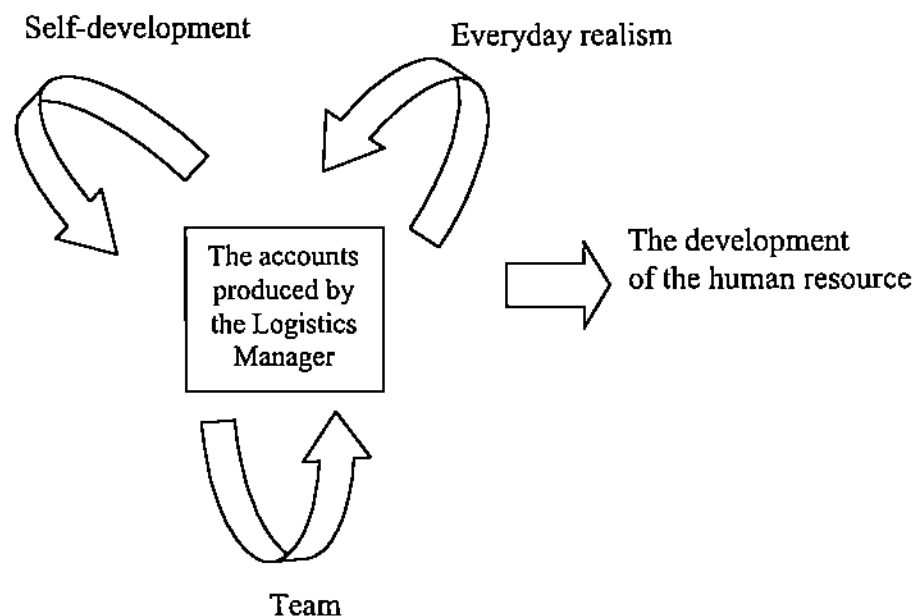


Figure 15. The discourses produced by the Logistics Manager.

²⁵ The meaning of the tone will be discussed more fully later in this chapter.

The first discourse is called **'Everyday Realism'** (samples d.1.–d.4., d.8.). The discourse appears at the beginning of the thematic interview and, as already mentioned, the tone of this discourse is cynical and sarcastic including some irony towards the key employee himself. The use of this tone could mean the positioning of the person during the interview (e.g. younger and highly educated researcher and less educated, self-learned key employee). However, the tone can rather be seen as *an integral part* of the discourse emphasising the key employee's opinion that the experience has shown him that in a small enterprise like Firm A the possibilities are limited. If you are already in your 50's you have to forget the idealism which you perhaps had when you were younger (sample d.1.). In order to rationalise the discourse, the Logistics Manager emphasised some fundamental principles regarding the business life in general. First, the main reason to do the work is to earn the ~~living (sample d.2. line 3). Secondly, the aging employees (referring to himself, too) are not~~ needed and they should be just happy to be able to come to work every day (sample d.1. lines 2–4 and sample d.2. lines 9–10). Thirdly, the firm is privately owned and there is the owner who runs the business. Thus, it is better to remain silent if you don't agree with the opinions of the owner (sample d.4.).

Especially in this discourse, the key employee uses strong means of rhetoric. Some sentences are formed as universal facts (e.g. 'The employees do their work in order to earn a living for their families' and 'In the firm there are certain boundaries'). Also, the use of extreme statements can be found in this discourse (e.g. 'I won't ever ask'; 'The men of my age are not needed'). The 'world' inside this discourse is quite 'black and white': the possibilities of development are limited and the development takes place individually outside the firm in order to keep the job – otherwise you would be thrown out. Moreover, the employees work because they have to earn the living, and the person who runs and develops the business is the owner. In addition to this, by gathering the experience of working life as you have grown older the idealistic opinions and the dreams have been left behind and the everyday realism has become the prevailing condition. However, there is a small fracture in this discourse which can be seen in sample d.8. as the key employee says that he won't ever ask (for training, support etc.) because of the hard times. By finalising his statement by saying '*I don't know*', he, actually, shows that he is uncertain about this.

Sample d.1. *The discussion on the background of the key employee*

Researcher: *So, your job description is quite wide – In your opinion what is the best part in your work*

1. Uh, what is the best part in my work in general [pause]. I don't have
2. that any more [pause]. I'm of that age already that I don't have any
3. particular dreams or visions for my work any more. There is the
4. everyday realism [pause]. The best thing is that you can come here
5. every day

Sample d.2. *The discussion on the background of the key employee*

1. If a human being is concerned, then a human is very egocentric and in this
2. sense he or she doesn't come here just to do his or her work. They come
3. to earn the living for their families and you aren't able to bluff the persons
4. by promising something you can't keep. You have to be able to be
5. responsible. And you have to start from the person him or herself. There
6. ~~have been a lot of discussions on how to encourage employees and so on.~~
7. One pattern is to manage people in a traditional way, manage them as a
8. crowd; of course you can do that, but you have to see the individual
9. person, too. And if I were younger I would draw some conclusions. The men
10. of my age aren't needed any more.

Researcher: *Aren't they needed?*

11. Today there is the common assumption that this kind of over 50-year-olds
12. are not valuable

Researcher: *But how was it a few years ago?*

13. It is a reason why I have been stuck here. There is some kind of lack of
14. or interest outwards...

Sample d.3. *The discussion on the development of the key employee. Transition from the discourse 'Everyday realism' to 'Self-development'*

Researcher: *If we should continue to the theme of training and development...*

1. Yes, I have been (.) the most problematic thing is that I will never ask
2. for anything. This is my principle that I won't ask.
3. Researcher: *Ask for training?*
4. Anything that would cause any trouble (.) or headache. → The
5. development is self-development and you use as much time as you can and
6. want to. It was at the beginning of 90's that I had to buy a PC for me otherwise
7. I would have been thrown out of the job and from common
8. development. And I have a network of my own and I construct the
9. knowledge by training myself at my own cost.

Sample d.4. *The discussion on the future of Firm A*

1. the owner has a different opinion on what should be obtained from the labour
2. and how it will be done. I have a different background and different
3. opinions but I won't argue because the principal question is what you

4. do for the firm. There are the boundaries that are the business culture and so
5. on and you have to play by following those rules and my opinions
6. are worthless

The second discourse is called '**Self-development**' (samples d.3., d.5.–d.8.). In this discourse three different bases for self-development can be found. Firstly, there is the personal interest in the issues (e.g. logistics and warehousing) (sample d.5. lines 1–2) and, secondly, the person has been provided with completely new fields of duties²⁶ (e.g. facility management) and he has confronted a gap between his previous knowledge and the needed knowledge and skills (see sample d.5. lines 5–7). Thirdly, the key employee uses actively his contacts outside. In addition, there is the lack of financial resources in the firm and even the discussions with other persons are seen as a waste of time and money (see sample d.8.

~~lines 3–4). Actually, the sarcastic tone of the talk is milder in this discourse than it was in~~

the 'Everyday realism' discourse. In this discourse the focus is outwards (samples d.6. and d.7.): the key employee uses his own network as a source of new knowledge as well as attends seminars and uses the internet, and, thus, the new knowledge is not now shared by other persons in the firm but rather used by the key employee himself.

Sample d.5. *The discussion on the theme 'development and training'*

Researcher: *What kind of subjects?*

1. Regarding the logistics and warehouses and such. These were just my own
2. interest areas and if the training policy in the firm is (.) I don't know if
3. I have understood correctly, I don't just think whether it is smart to pay or
4. not but rather to develop the firm.

Researcher: *So, you have paid by yourself?*

5. I have had different duties and the kind of fields where I felt that I was a complete
6. outsider and I was responsible for those issues. Let's say (2) the facility
7. management so I have a large 'pallet' of duties

Researcher: *So, a lot of duties*

8. And a lot of regulation and I felt completely powerless and I didn't have any
9. time to concentrate on the regulation...

²⁶ The wide job descriptions of small business managers have been discovered by previous research, too. Gibb and Dyson (1984) state that: "Thus, the new manager may well have to take on a variety of distinctly different tasks outside of narrow functional specialism".

Sample d.6. *The discussion on the theme 'development and training'*

Researcher: *So you mentioned that you have participated in some seminars, what has been the benefit of them?*

1. Those are actually very fragmented situations in order to attract as much
2. audience as possible but, sure, the best outcome is achieved during the
3. discussions in the corridors with the colleagues. It can happen that one subject
4. is 'awakened' there. And it is. Therefore, I am interested in and so many times
5. it is a problem that I don't have any time to sit there and listen but you should
6. (.) Today the internet is very good for getting the information.

Sample d.7. *The discussion on the theme 'development and training'*

Researcher: *What about the corridor discussions during the seminars?*

1. There are quite a few of us. So the persons from the same region and from
2. the same industry meet each other. During the last ten years we have met regularly
3. every autumn and it is a kind of group of friends.

Researcher: okay

4. But as all the persons are from the same field, of course, we start to talk
5. about our work [laughing]. And every now and then we cooperate. As
6. I have the busiest time in spring time I don't have...

Sample d.8. *The discussion on the theme 'development and training' transition from 'Self-development to (→) 'Everyday realism' and back to (→) 'Self-development'*

Researcher: *How is the situation inside the firm, have you got help or support for your work?*

1. Yes (.) From some I have got (.) and (1) to have discussions (2)
2. perhaps I have emphasised too much that only in emergency will I
3. contact and I won't ever ask. → But the times are so hard (.)
4. thinking and discussion are a waste of time. → I don't know.

It is remarkable that the sarcastic tone of the speech changes completely in the following 'Team' discourse (samples d.9.–d.16.). In this discourse the focus is on the subordinates of the key employee. The tone becomes almost 'fatherly' as the key employee discusses the hard work in providing the subordinates with the self-esteem and considering the team valuable for the firm (sample d.11. lines 4–7). As he notices the challenge is to break the long history of seeing the persons working in the warehouse as not so valuable for the firm e.g. in comparison with the sales-persons (see sample d.9.). The key employee considers himself as a team leader who protects and respects the team members. As a base for this is the understanding that the work on logistics and warehousing is an important part of the whole process (sample d.12.). In the light of this discourse the tools for the development of

the team are e.g. the open information regarding the firm (sample d.10) as well as the participation of the development processes regarding the firm's own team and the firm as a whole (sample d.14). Moreover, the key employee emphasises that there are many small issues by which e.g. the productiveness of the firm could be raised – and without any costs (see sample d.15). Also, in this discourse the key employee highlights the importance of the cooperation inside the firm (sample d.12. lines 2–3).

Sample d.9. *The discussion on the theme 'personnel and development'*

1. This kind of small team is ideal. The largest department I used to have
2. consisted of 70 employees and it was (2) too much to lead. Today
3. there are only a few (3) persons that have worked in any
4. other firm and most of them have grown with the house as
5. 'equipment'. That heritage has been extremely strong and the ...

Sample d.10. *The discussion on the work of the key employee*

Researcher: You said that every one is able to develop their work.

1. All in all the most important thing is always that you (.) can
2. get the team working as a team. In this kind of family-owned firm
3. the most important thing is (3) to achieve results and every one should
4. know how the things are going in the firm...

Sample d.11. *The discussion on the work of the key employee*

1. The valuation of the work on logistics and warehousing has risen since
2. the 1970's and 1980's. But if we go to the 60's, as my background is there, in
3. those days the persons who weren't suitable for any other duties were
4. placed in the warehouses and in logistics or so (.) This history has long
5. roots and this has affected the valuation of the whole field and there
6. has been a lot of work to provide the team with the self-esteem and
7. understanding of what is the value of their work.

Sample d.12. *The discussion on the work of the key employee*

1. We have the idea that the sales is the core and thus my work is a little
2. bit (2) troublesome. However, in a firm like this the co-operation is so
3. important. It isn't beneficial that one part is working well (.) it is just
4. as good as the weakest part in the chain. Would it be the delivery time or
5. accounting or whatsoever...

Sample d.13. *The discussion on the work of the key employee and the roots of the team thinking*

1. My team was thinking is formed during the past decades as I have worked in

2. that kind of organisations and I have seen a close cooperation between
3. different parts when it is real cooperation, the kind of unselfish desire to
4. work and reach good results should be supported in many ways...

Sample d.14. *The discussion on the future of Firm A*

Researcher: You talked previously about the need of self-esteem

1. (4) Yes if I think of the team of my own the phase when we were working on the
2. quality system. It was a huge process and sometimes you wondered whether
3. it was useful or not. The processes were meaningful because all the employees were
4. involved and they could handle the process (.) and think how we could reach
5. better results and something is living still today (.) and it should be used...

Sample d.15. *The discussion on the future of Firm A*

1. and there are so many small issues which could help (.) the working life
2. of individual persons and raise (2) the productiveness (.) some of those
- ~~3. don't even cost anything. Those that are linked to the culture or so. There~~
4. are issues that we could begin to use for example the flexible working hours
5. and so on.

Sample d.16. *The discussion on the future of the firm A and the recruitment of new employees*

1. But we need supervisors to control the employees if we don't get persons
2. who are willing to be responsible and if we don't count on the employees and
3. see them as a resource then...

In sum, the three discourses produced by the Logistics Manager provide three different settings regarding the human resource development. The key employee appeared to be sarcastic and even cynical regarding the development issues. It could be said that he identified himself to be a team manager in that age when there is no sense to invest in his development. In this respect, he had decided not to ask for the possibilities of self-developing or either raising any discussion regarding the development of the firm. The sarcastic and cynical tone was an integral part of that discourse emphasising the frustration which was developed during the past years of working in Firm A. However, in the discourse 'Self-development', actually, the identity of the key employee could be seen as different than in the previous discourse. In this discourse, the key employee was willing to develop himself, found it important to have a network of colleagues of his own. Thus, there can be seen a relationship between these discourses (because due to the principle 'I won't ask' the development is performed by the key employee alone).

Moreover, there can be seen a contradiction between the identities in those discourses ('a frustrated and aged manager' and 'a person willing to develop himself'). Interestingly, the third discourse 'Team' showed a completely different view. The key employee identified himself as a team leader who supports, protects and respects his employees. The employees work in the warehouse and in logistics and, thus, one of the most important challenges has been the development of the self-esteem of the team members. Moreover, the key employee emphasises that open information and cooperation are important in the firm. Thus, it can be seen that there is a contradiction between the discourses 'Everyday realism' and 'Team'. The interactions and contradictions between the discourses produced by the Logistics Manager are represented in Figure 16.

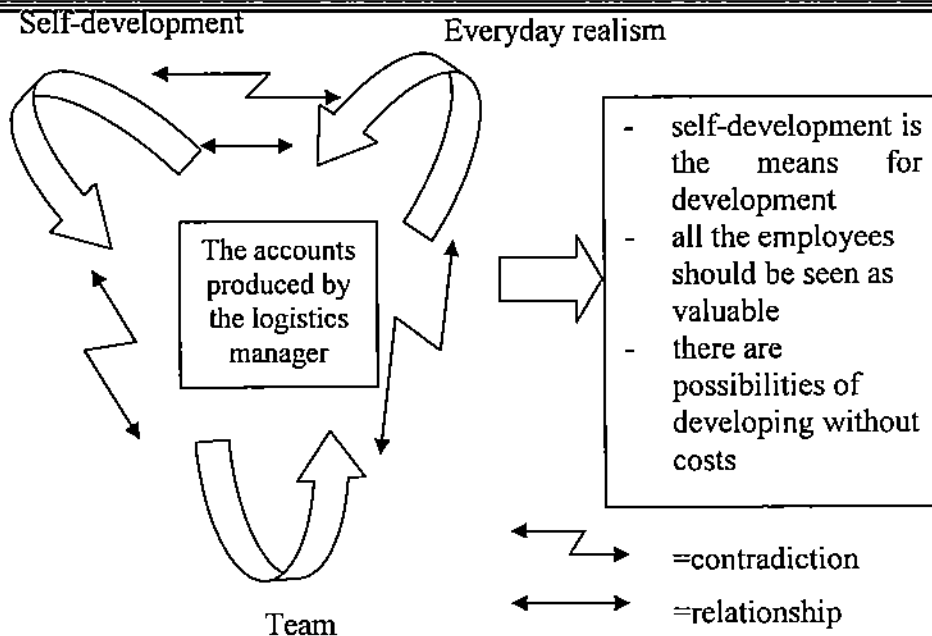


Figure 16. The interaction between the discourses produced by the Logistics Manager.

4.2.5. Accountant

The fifth key employee in Firm A was the Accountant. He is in his early thirties and has a commercial education. He has been working for six years in Firm A, first, in the sales department and then two years ago he applied for the current position. He worked in the

financial team and reported to the Financial Manager. During his studies in the commercial college he concentrated on foreign trade and marketing, but in his opinion accountancy was more suitable for him. Interestingly, the discursive world of the Accountant was much more positive in its nature when compared with the other key employees in the firm, and, at the same time, much simpler, which can be seen in regard to the number of discourses, too. Thus, the two discourses produced by the Accountant were called: 'Self-activity' and 'Continuous self-development' (Figure 17).

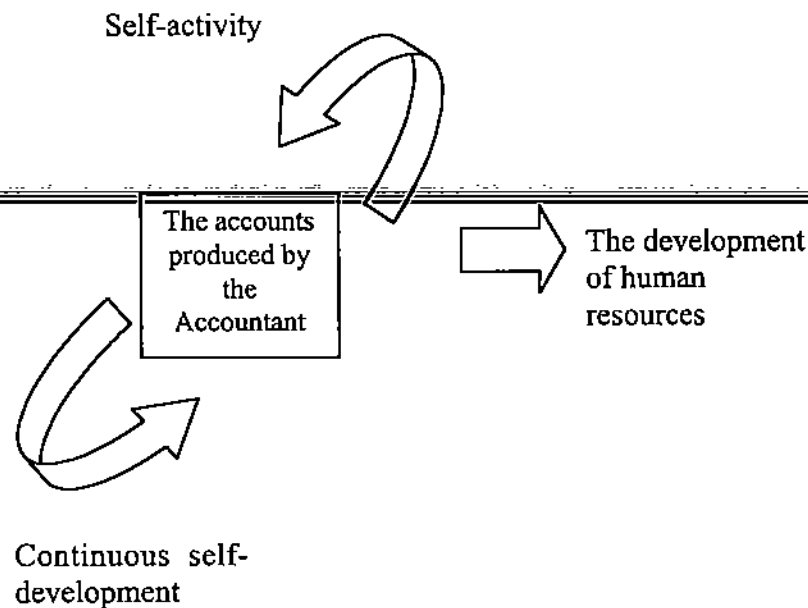


Figure 17. The discourses produced by the Accountant.

The first discourse is called '**Continuous self-development**' (samples e.1.–e.4.). The accountant identifies himself as a person who will continuously develop himself in order to do his work properly (sample e.2. line 1 and sample e.4. line 7). Actually, in this discourse the accountant shows quite a clear picture of 'self-development. In this discourse the employee is motivated to train himself. Firstly, the person finds ways to get the needed knowledge (sample e.2. lines 3–5), secondly, whether he thinks that longer training is needed, the firm will support the idea (sample e.1. lines 8–9). In this discourse the self-development is a continuous – even life-long - process which is closely linked to the career (sample e.4. and e.3.) and, thus, to the changes in the work content. Also, as it will be explained in more detail in the next chapter, the self-development is closely linked to self-

activity. Thus, if the person is willing to develop the work on his own, this causes new needs for the development which, finally, effect the motivation to train and develop.

Sample e.1. The discussion on the background of the key employee

Researcher: *You have graduated from commercial college. How is it today? Have you taken courses or trained yourself?*

1. Yes, actually, at the moment there is a course going on (1) a qualification
2. in accountancy and I have already passed half of it. It is a kind of
3. distance learning course..

Researcher: *And do you participate in it at the moment?*

4. Yes, besides the work. It is a kind of distance learning in evenings and
5. at weekends and on contact days one day on average in a month

Researcher: *And you can manage that?*

6. YES, every two months there are two contact days and it has been ok. You
7. ~~actually know the exact days well before...~~

Researcher: *And your employer has been positive?*

8. Yes, yes I have tried to schedule my studies so that one day in a week I will stay
9. the evening here at work

Sample e2. The discussion on the background of the key employee

Researcher: *Okay, that was about your background regarding training. Have you got possibilities of developing on-the-job and is it possible?*

1. Yes it is possible and it has been necessary because the situation
2. [the new occupation] came so fast and I didn't have so much time to prepare.

Researcher: *Hmm, how fast did it happen?*

3. It took about two months. Then I read a lot at home and of course during
4. working days, too and I participated in a couple of shorter courses before the
5. new job. Those kinds of basic things.

Researcher: *okay*

6. Yes, during this new period (3) and even before the studies for the qualification
7. I feel that I have been able to develop (2) and obtain new information...

Sample e.3. The discussion on the future of the firm

Researcher: *How do you see your work in a perspective of three years?*

1. it is so (4) that first the firm has developed (1) first the tools should be fixed in
2. order to get more time for operational accounting and I thus could
3. concentrate more on calculations and could work merely as a controller..

Sample e.4. The discussion on the future of the firm

Researcher: *How do you see your development in a three years' perspective?*

1. I think that I have to have a short break after this current training programme
2. but I am sure that I will take some distance courses which support my job and

3. it is otherwise meaningful because I am still young and in my opinion
4. self-development and training is very smart. It can be further training for
5. accountancy or something else on financial administration or management. This
6. is something I have thought lately.

Researcher: *okay*

7. and it is even dangerous if there isn't any development...

As was stated earlier, the discourses 'Continuous self-development' and 'Self-activity' are closely linked together. The discourse 'Self-Activity' is presented in samples e.5.–e.10. In sample e.5., the key employee describes the situation as he changed from the sales department to accountancy and found the gap between his current knowledge and the needed knowledge. Actually, in this discourse self-activity is the only means to obtain possibilities of training and self-developing. In the sample e.6., the key employee wonders

~~why there are only a few persons who have been active and joined training courses (lines~~

5–6), even though the Firm's attitude towards self-development is positive (lines 1–3). However, as can be seen in lines 1–3, this isn't completely beyond doubt. In the sample e.6. (lines 1-3), there are many more pauses (even long silences) which show that the person thinks about the issues. Moreover, the sentence starts with four 'well' words which is a different way to begin the sentence compared with all the other openings in this discourse. Interestingly, sample e.6 is also constructed by questions which the key employee asks of himself. This kind of structure shows, also, that the matter which is discussed is complex.

Actually, in sample e.7., the key employee finds the answer to the difficult question why so few persons take the advantage to develop themselves. The answer is because the firm has not openly encouraged the employees to be self-active (sample e.7. lines 1–3). The importance of the Owner-Manager is obvious in this discourse. The owner-Manager is seen to be the person who makes all the decisions and, therefore, there is no means to talk to the middle-managers (sample e.8. line 3–4). However, later in the samples e.8. and e.9., the key employee states that discussions are useful to be carried out with both the Owner-Manager and with the Financial Manager. Interestingly, in this discourse the terms 'firm' and 'Owner-Manager' are used as synonyms and mixed even in the same sentence (see sample e.6. lines 7–10). Similarly, the term 'Owner-Manager' is replaced with the metaphor 'corner-room' (sample e.8. line 1) describing the location of the Owner-Manager's office.

Sample e.5. *The discussion on the background of the key employee*

Researcher: *Your qualification was in foreign trade but you changed to work in accountancy. How did you feel the change?*

1. Oh, I had actually been (.) I have been a member of different associations
2. and taken care of their accountancy and I have followed the
3. field before, too, but surely I felt that my knowledge wasn't enough
4. and even before the qualification studies I had tried actively to develop
5. myself.

Sample e.6. *The discussion on the role of the personnel in Firm A*

Researcher: *In your opinion what is the role of the personnel in this Firm?*

1. (3) well, well, well, well. It is surely (6) regarding the firm (2) I have
2. that kind of insight that the Firm supports and (2) takes a positive
3. attitude towards the development but (2) is the personnel interested in?
4. I think that only a few are (2) and many persons just continue doing
5. ~~their work just as they have always done. Why do only a few persons~~
6. understand the possibility? I don't know anyone else attending any training (3)
7. I don't believe that there are any other persons. In principle the Firm
8. supports as it supported me as I went directly to ask whether I could
9. have a possibility for that. It was said for me that 'of course' and I could
10. find and choose the training all by myself.

Sample e.7. *The discussion on the role of the personnel in Firm A*

Researcher: *What would be the reason that other employees have not been active in searching for the possibilities of developing ?*

1. I don't know but surely there has not been (.) any encouragement either or
2. arrangements for this kind of activity but there is the principle that if anyone
3. goes and asks for the training, the attitude towards the initiative is positive.

Sample e.8. *The discussion on the possibilities of influencing inside the Firm*

Researcher: *In your opinion what is the best way to influence any matters here inside the firm?*

1. The best way is (.) the 'corner room' makes the decision any way, especially
2. regarding larger amounts of money. The development costs always some
3. money and he is the final decision-maker. So, perhaps, the best way is
4. to talk to him directly rather than discussing with the middle management.

Sample e.9. *The discussion on the possibilities of influencing inside the Firm*

Researcher: *Are you able to develop the content of your work?*

1. Well, I have tried to develop through both my bosses [owner-manager and
2. Financial Manager] mainly regarding the new computer programme. If we
3. could buy a more advanced programme then I could have time to do
4. more. At the moment even the most simple procedures take too much
5. time and effort

Sample e.10. *The discussion on the possibilities of influencing inside the Firm*

Researcher: *Do you have any formal channels for the ideas of how to develop the firm?*

1. Particularly the discussions with those two persons. It is as simple
2. as that.

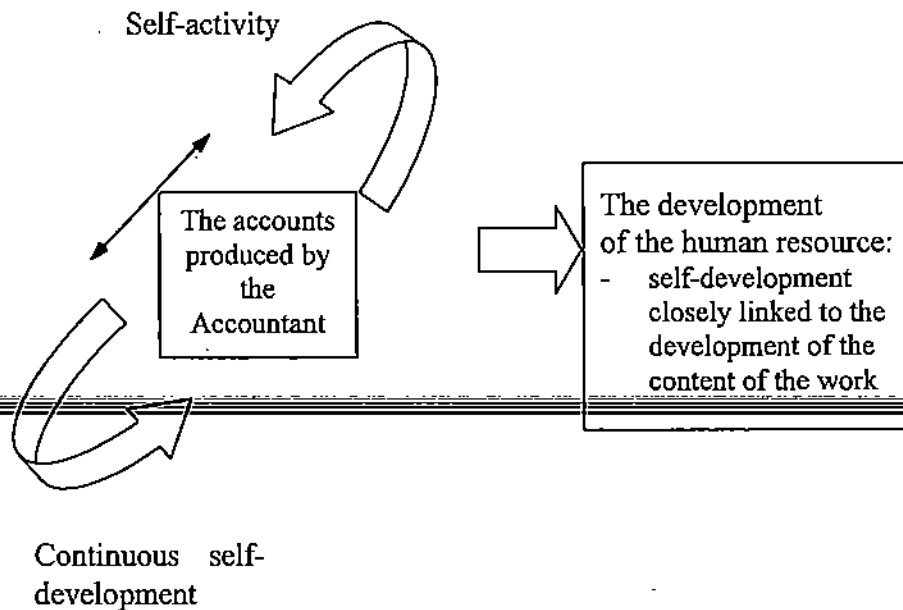


Figure 18. The interaction between the discourses produced by the Accountant.

In sum, the discourses produced by the Accountant present a clear and simple picture regarding the development of human resources in Firm A (Figure 18). In this discursive world the key employee understands the need to be self-active in order to obtain possibilities of self-development. Actually, the self-development is regarded as the only way to develop the human resource in the firm. The self-activity covers the activity in suggesting training courses as well as the development of the content of the work. Thus, the continuous self-development is needed in order to be able to widen the content of the work and to fill the knowledge gaps. Interestingly, there is a slight 'crack' in this discursive world, too. The key employee wonders why there are only a few employees who are actively developing themselves. In this phase of the interview the construction of the discourses changed totally, too. All the other parts were clearly following the conventional structure of interview (i.e. the researcher asks questions or raises new themes for discussion and after that the interviewee answers the questions). In this 'crack' phase, the key employee started to repeat words, he kept long pauses and started to ask questions of

himself and, finally, he provided the researcher with the answers to questions of his own. Therefore, it can be concluded that the possibility of expressing the developmental needs to the managers is not commonly known in the firm and, thus, the discursive world of the Accountant is his own interpretation of the reality of the firm.

4.2.6. The Conclusions Regarding the Key Employees' Discourses in Firm A

In Table 7 the discourses and the main features as well as the human resource development in those discursive worlds are described. Totally seventeen discourses were named during the analysis process, constructing five individual worlds of human resource development.

~~In this chapter these constructions are analysed on individual as well as on organisational~~

levels. In addition, the discourses will be analysed using the analytical levels presented by Alvesson et al. (2000b) (see Lämsä 2003): micro-, meso-, grand- and mega-discourses. Finally, the consequences of human resource development in Firm A will be discussed.

Table 7. The discourses produced by the key employees in Firm A.

Key Employee	The name of the discourse	The main features of the discourse	The interpreted reality
Financial manager	Age	the more age, the less motivation	The training and development should not cause costs. Learning to learn is the key to be motivated to develop. Age is a strong factor affecting the development.
	Motivation	the learning to learn as a key to be motivated	
	Money	the training and development are seen as a cost not as an investment	
	Independency	the independency at work including the possibilities of developing is important	
Owner-Manager	Searching for Success	the successful entrepreneurs as role models and idols	The self-development is achieved by networking and learning from others' experience. The development is merely reactive and the resource-base is
	Entrepreneurship	Entrepreneurship is based on poverty and misery and the search for success is thus the main motivator	

	Networking	the most important way to widen the perspective and to develop oneself	established by recruiting the skills needed.
	Managing Personnel	there is a 'top-down' perspective, the needed knowledge and skills are bought	
Management Assistant	Self-development	There is a strong desire to develop the skills and knowledge as well as the work itself.	The self-development is seen as a possibility of developing the content of the work.
	Content of the work	The development is linked to the desire to develop the content of the work and thus to 'grow' with the firm	
	Personnel training	The personnel are seen	Personnel training is a possibility of motivating the personnel and thus of developing the Firm as a whole.
	Hard times	Understanding that the hard years during the recession still have effects in the firm.	
Logistics Manager	Self-development	active self-development outside the firm, individually and almost in secret.	Self-development is the only means of development. All employees should be seen as valuable and taken to develop the firm as a whole. Not all developmental activities produce cost.
	Every day realism (<i>sarcastic, cynical tone</i>)	according to the experience the key employee will not ask for any kind of development	
	Team (<i>warm and fatherly tone</i>)	the valuation, self-respect and participation in the development of the firm as whole (e.g. quality system) are the keys to motivating	
Accountant	Self-activity	To be active is the only key to obtain possibilities of training and developing.	The continuous self-development is emphasised.
	Continuous Self-development	continuous self-development makes it possible to develop the content of the work	

First of all, it is fruitful to take an overall look at the discourses on the individual level. Actually, a slight surprise for the researcher was the flow of the speech during the thematic interviews. In Table 8 the flow of the speech is described as a number of words per key employee interview. For the purposes of analysis the interviews were written down having on average 400 words per page. The number of pages is included in Table 8 providing the view of the size of the analysed material. Thus, the main task for the researcher was to raise the theme for the discussion and with the follow-up questions or comments to actively encourage participation in the discussion. The feeling during the interviews was as if a 'lock gate' (i.e. the need for the talk on development) would have been 'opened' and the 'water' (i.e. the talk) would have been 'released'. Thus, the strong feeling during the discussions was that these themes are not part of the everyday discussions in the firm and, ~~therefore, there is an accumulated need to talk about them. For the discourse analysis this~~ was very positive because the size of the material allowed a wide diversity of responses and the interviewer was seen as an active participant in the discussion.

Table 8. The size of the material describing the 'flow' of the speech.

The thematic interview	Number of words / total number of A4 pages
Financial Manager	3548 / 8,8
Owner-Manager	3890 / 9,7
Management Assistant	3119 / 7,8
Logistics Manager	2898 / 7,2
Accountant	3162 / 7,9

On the **micro-level** the discursive worlds created a picture of key employees making decisions regarding the development of their subordinates as well as suggestions to their own superiors in an ambiguous world of human resource development. By constructing the discourses the key employees make the interpretations regarding the human resource development and, in this sense, all the discursive worlds are their concrete reality in which they do their everyday work. Three of the key employees constructed their versions to include *contradictions* between their discourses (i.e. the Financial Manager, the Manage-

ment Assistant and the Logistics Manager). For example, age was seen as a strong inhibitor of the motivation for development, but, however, if the person had learned to learn age was not an inhibitor any more (see Financial Manager). Also, the self-development and the development of the content of the work were seen to be linked to each other (Management Assistant). Moreover, *relationships* between the discourses were also found. For example, the 'Hard times' discourse affects personnel training in such a way that no one is willing to arrange training even though the employees would be willing to attend (see Management Assistant).

The analysis of the **identities** provides a wider overview of the contradictory and multidisciplinary discursive worlds in which key employees make their decisions and ~~perceptions regarding the human resource development (Table 9). Thus, the identity~~

describes the incoherence of the individual person and, accordingly, the *identities* are seen as functional and closely linked to the discourses (see Jokinen et al. 1999; Suoninen 1992: 40–41). It can be seen that the years of recession still have a strong effect on the identities on all key employees except the Accountant, who did not work in the firm during these years (see Table 9). However, the identities are constructed individually and the identities linked to 'Hard times' or 'Money' or 'Everyday realism' differ from each other. For example, the Financial Manager acts as 'traditional accountant' in her 'Money', discourse, i.e. not daring to spend any money on training and development. The management Assistant constructs a different identity in her 'Hard times' discourse and acts as a 'rational person' who understands the difficulties of developing the employees because of the hard times in the history of the firm. The third identity linked to the years of recession is constructed by the Logistics Manager. He acts as a frustrated and cynical employee not willing to ask for any training or development any more and concentrates on developing himself secretly in order to handle the ever-expanding field of duties.

In addition, the key employees' motivation to self-develop (individually and alone) can be seen by looking at the identities. The Financial Manager identifies herself as self-motivated ('Motivation' discourse). The Owner-Manager is searching for success and, hence, develops himself by learning from the experiences of successful entrepreneurs in order to become an 'admired and successful entrepreneur'. The Management Assistant is confused

and frustrated because she knows that the firm (i.e. The Owner-Manager as her superior) supports self-development but her wish to achieve a higher qualification is for some reason denied. The Logistics Manager identifies himself as 'martyr', since he is willing to develop himself but that has to be done (as he thinks so) only by self-development and as he is not willing to ask for any training because of the 'Everyday realism'. The Accountant's identity with 'Continuous self-development' is as a 'life-long learner' and with 'Self-activity' as a 'young and active employee'. In sum, the key employees produce strong identities which are consistent inside the discourse but often contradictory with other discourses and that, thus, can cause confusion in their decision-making. For example, the 'traditional accountant' does not dare to buy any training programme as the 'person in her fifties' wonders whether the other employees could be motivated by arranging some kind of

~~motivation training for them (see Financial Manager). Similarly, the 'martyr' or 'frustrated~~

person' does not want to bother the Owner-Manager and ask for training whereas the 'father' thinks that the training of his team is the key to developing the team members' self-esteem (see Logistics Manager). To conclude, the analysis of the identities brings forth the complexity of the interpretative reality. The human resource development is actually a phenomenon which is formed by different discourses being even contradictory in their nature. Consequently, the next question is how an individual key employee makes the complex discursive world rational.

Next, the analyses of the **key points** of the key employees' discursive worlds will be accomplished (Table 9). In this research, the key point is defined as a core or 'philosophy' for the development which can be raised from the individual discourses. Thus, the concept is close to the term 'key moment', which means the small but important moments in the discussion (Jokinen et al. 1999: 110–113). Even though these concepts differ from each other, the key point of the discursive world may be found by analysing the key moments, or the key point may exist only once during the discussion, affecting however the whole discursive world. By analysing the key points, the contradictory discursive worlds with several identities become more *rational* for the producer of the discourses (i.e. key employees). Thus, the analysis of the key points of the talk is a means to find the rationality of the discursive world.

Table 9. The identities and the key points.

Key Employee	The name of the discourse	The identity	The key point of the discursive world
Financial manager	Age	person in her fifties	The learning to learn as a key to be motivated to develop
	Motivation	a self-motivated person	
	Money	traditional accountant	
	Independency	person in independent position	
Owner-Manager	Searching for Success	admired and successful entrepreneur	Successful entrepreneurs as role models and drives for the search for success
	Entrepreneurship	traditional small firm entrepreneur	
	Networking	an entrepreneur focusing outwards	
	Managing Personnel	idea-creator	
Management Assistant	Self-development	a confused and frustrated employee	The integration of the self-development and the enrichment of the content of the work
	Content of the Work	a person with skills and knowledge and motivation	
	Personnel training	a trusted mediator	
	Hard times	a rational person	
Logistics Manager	Self-development	martyr	The everyday realism has conquered the idealism.
	Every day realism (<i>sarcastic, cynical tone</i>)	a frustrated person	
	Team (<i>warm and fatherly tone</i>)	father	
Accountant	Self-activity	young and active employee	Self-activity is a means to continuously develop.
	Continuous Self-development	life-long learner	

The key point of the Financial Manager's talk is the notion that *learning to learn* is the base for the motivation to develop. In this sense, age or the lack of financial resources are not very powerful inhibitors of the development. For the Owner-manager the key point is that the *successful entrepreneurs* are the driving force for the entrepreneur to rise from the misery and poverty of a small business to become successful. For the Management Assistant the key point is the *integration* of self-development as well as the enrichment of the work. In this sense, the frustration regarding her situation (the Owner-Manager doesn't understand the idea of the integration) becomes understandable. Similarly, the *everyday realism*, including the idea that the work is done only because you have to earn your living, has conquered the idealism of the youth of the aging Logistics Manager. Thus, the idea that you are forced to develop yourself alone and without support from the top management ~~becomes rational. Interestingly, the Logistics Manager is not willing to leave this ideology~~

as a heritage to his team. There is a certain message for the forthcoming managers in the discourse to take care of the team and to let them join the development of the firm as a whole. For the Accountant the key point is clear: *self-activity* is the key to life-long and continuous development.

On the **meso-level** the discursive worlds of the key employees can be compared to each other in order to find broader patterns affecting the human resource development in the firm (see Alvesson et al. 2000b). Firstly, the main difference in discursive worlds is found between the Owner-Manager and other key employees. The Owner-Manager's discourses are constructed around the entrepreneurship and ownership and the main focus is outwards of the firm ('Networking' and 'Searching for success' discourses). Inside the firm the discourse 'Managing people' actually means that the Owner-Manager sees himself as 'idea-creator' bringing new ideas from outside to the personnel. The other key employees' discourses were produced around the fact that there have been hard years of recession in the firm and, thus, the self-development is the only way to develop themselves. The only exceptions were the discourses produced by the Accountant, for whom it was natural to continuously develop himself as well as actively present the developmental ideas to his superior.

Moreover, the **Owner-Managers' role** was dominant in all the discursive worlds produced by the key employees. One example of his dominance is the reflection of the discourse 'Searching for success' on the discourses 'Money', 'Hard times' and 'Everyday realism'. The reason for the dominance can be visualised in Figure 19, in which the Owner-Manager has strong expectations (marked 'e' in the Figure) regarding the growth of the firm. Because the expectation was not realised due to the recession, the gap between the expectations and the reality (marked 'r' in the Figure) seems to continue in his interpretation (marked 'ir' as interpreted reality in the Figure) that the hard years still continue. However, the firm is still alive, producing positive result too, but, of course, situated in a mature phase of the life-cycle and, thus, waiting for new strategies in order to go on.

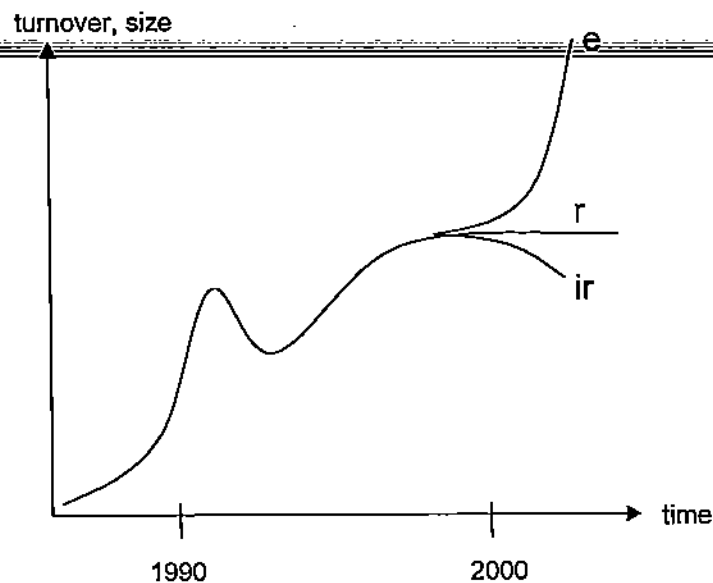


Figure 19. The interpreted reality in the life-cycle of Firm A produced by the Owner-manager.

Thus, '*hard times*' can be seen as a **Grand Discourse** (see Alvesson et al. 2000b:1133) constituting the organisational reality and affecting the key employees' discourses. Similarly, the power of the language can be seen clearly. In this example, the use of language still keeps the firm understanding that the recession years (which were the reality at the beginning of the 1990's) still continue even though the firm, actually, should find new strategies for the future in order to pass the mature phase of the life-cycle. Interestingly, this Grand Discourse has not affected the discourses produced by the

Accountant, who actively develops himself and whose self-development is supported by the Owner-manager. For him it has been self-evident that the firm (i.e. the Owner-Manager) is willing to support his studies in order to make the best of his job.

In Firm A, a reflection of a **Mega-Discourse** can be explored. Especially, in Finland an overall discussion regarding the aging workforce has been a current topic recently (e.g. Ojala & Ahonen 2003). As this is a current phenomenon in Firm A it has had the strongest effect on the Financial Manager (being responsible for HRM issues in the Firm, too). In her discursive world, age was a strong determinant of the motivation for the development. In addition, age was present in the Logistics Manager's discursive world. For him age was merely a personal issue: he regarded himself to be too old to be needed in the firm (in his ~~'Everyday realism' discourse~~). ~~Moreover, the Management Assistant thought that even the~~ older employees could be motivated to train if the training could be arranged. However, the connection between the national Mega-discourse and individual interpretations is vague. The key employees do not import any point of view from the outer environment but rather discuss the issue in regard to Firm A itself.

Next we will take a look at **the discursive variation** regarding the interpretations on human resource development. Each key employee produced from three to four discourses and, thus, they spoke by using the 'voices' of corresponding identities (see Jokinen et al. 1999:68). As a result, five different discursive worlds were constructed, each affecting separately the human resource development. The discourses were constructed from the background and the work of the individual key employee rather than from a common interpretation regarding the human resource development. For example, the Financial Manager's focus was inside the firm ('Money' discourse) and even inside a single employee ('Age', 'Motivation' and 'Independency' discourses). On the contrary, the Owner-Manager focused his discourses strongly outwards²⁷ ('Networking', 'Searching for

²⁷ This notion is interesting in comparison with the research done by Curran and Blackburn (1994: 106). Their quantitative research provided useful data regarding the connections between Owner-Managers and outside bodies. However, Curran and Blackburn (1994: 106) stated: "*It [i.e. the quantitative data] tells us little about the motivations, meaning and expectations of owner-managers in seeking outside advice or making other kinds of external contacts.*" Thus, the discourse analysis provided deeper understanding of individual Owner-Managers' motivations regarding networking.

success' discourses) as well as on his position in the firm as owner-manager ('Entrepreneurship' and 'Managing personnel' discourses).

For the Accountant as well as for the Management Assistant the content of the work became a central issue. On the contrary, the Logistics Manager is stuck to his 'Everyday realism' discourse work, but, however, he fatherly takes care of his team ('Team' discourse). In this sense, the consequences to the human resource development vary between the discursive worlds of individual key employees (Table 10). In spite of that, the consequences are *multiple* in their nature, too. For example, for the Financial Manager the interpretative reality of the development of human resources consists of such issues as (1) the training and development cannot affect costs, (2) the learning to learn is the key point in ~~regard to the motivation to develop as (3) age is a strong factor diminishing the motivation~~ to train. An opposite example is the Accountant's quite different interpretative reality. For him it is natural to self-develop himself continuously but it needs self-activity.

Table 10. The variation of the consequences in Firm A.

<i>Key Employee</i>	<i>The variation of consequences on the development of human resources</i>
Financial Manager	external training affects costs which is not desirable; age is a strong factor not to be motivated to develop unless you have learned to learn
Owner-Manager	the role models of successful entrepreneurs and networking are the means to develop; the resource-base is established: the needed skills will be bought
Management Assistant	self-development (outside) is the means to develop the person's work; the possibility of training and developing would be a means to motivate employees
Logistics Manager	there are no other ways but to self-develop (outside, alone and by networking); in the ideal case all employees are to be seen as valuable and they are taken to develop the firm together and to learn at the same time
Accountant	continuous self-development is an axiom (just tell the idea to your boss and start to learn)

In spite of the variation, some **joint elements** can be explored between the discursive worlds. The first joint element is *self-development* which is interpreted as being almost the only means to develop in the firm, but, interestingly, the internal variation was explored inside the joint element, too (see Table 11). Similarly, the factors fostering or hindering the human resource development vary between the discursive worlds and are results of the interpretations.

Table 11. The internal variation on self-development in Firm A.

<i>Key Employee</i>	<i>The internal variation on self-development</i>
Financial Manager	good as there are no costs
Owner-Manager	learning from successful entrepreneurs
Management Assistant	the development of the content of the work
Logistics Manager	the self-development has to be made alone and at one's own cost as there is no use to make any initiatives regarding training or development
Accountant	the motivation to develop one's work

The second joint element is based on the *hard years* of recession (being the Grand-Discourse) at the beginning of the 1990's. The Owner-manager is still searching for success and, actually, in the discourse 'Hard times' the Management Assistant rationalises why hard times are still so strongly rooted in the firm. She interpreted that the recession years ruined the Owner-manager's dream for exponential growth and, therefore, the hard times have become a prevalent, deeply rooted and widely spread phenomenon in the firm. Moreover, in the Logistics Manager's discourse 'Everyday realism' hard years are present and this interpretation hinders him even from discussing training or development. On the contrary, however, the hard times are not even present in the discursive world of the Accountant. In Table 12 the variation regarding the interpretations of the hard times is presented. Thus, in this sense the consequences of the Grand Discourse are individually constructed and linked to the individual discursive worlds (or excluded as was the case with the Accountant).

Table 12. The variation on 'hard times' in Firm A.

<i>Key Employee</i>	<i>The variation on hard times</i>
Financial Manager	no extra costs are accepted
Owner-Manager	the search for success is the driving force as the entrepreneurship rises from poverty and misery
Management Assistant	the firm is stuck to hard times due to the lost chance of exponential growth in the recession years
Logistics Management	there is no use in making any suggestions regarding training due to the situation of the firm
Accountant	hard times are not present in the discursive world

To conclude this chapter, the main consequence of human resource development is that the self-development is seen as the only means to develop oneself (Financial Manager, Management assistant, Logistics Manager and Accountant). The Grand Discourse 'Hard times' hinders the arrangements of personnel training because of the costs. In the light of the discursive worlds (especially in the Owner-Manager's) the employees are located somewhere in the background – not as an active resource but merely as an established skill-base (and thus the training and development are not seen as important). Moreover, the key employees' discursive worlds present a picture in which the key employees are working independently and individually – not having much cooperation in issues regarding the human resource development. The active self-development of all the key employees shows that each person is updating his or her skill-base, but this new knowledge and these skills will not be shared with others. Furthermore, the analysis of discursive variation illustrates clearly the phenomenon that the reality is interpretative. Even the Grand discourses are interpreted differently on individual level thus, producing diverse effects on human resource development.

4.3. The Discourses Produced by the Key Employees in Firm B

4.3.1. Chief Financial Officer (CFO)

The Chief financial officer (CFO) is a 41-year-old woman and she has a qualification of business accounting. She has studied accounting in higher education (polytechnic level) but due to a working period abroad she did not finish the studies. Ever since she graduated from the business college, she has gained experience both as office clerk and manager in accounting departments in companies operating in different fields (e.g. computing and pharmacy), in domestic as well as in international markets. In Firm B she has worked for about one year. During the thematic interview she constructed four different discourses (Figure 20) which were named 'Future', 'Experience', 'Small firm' and 'Network'

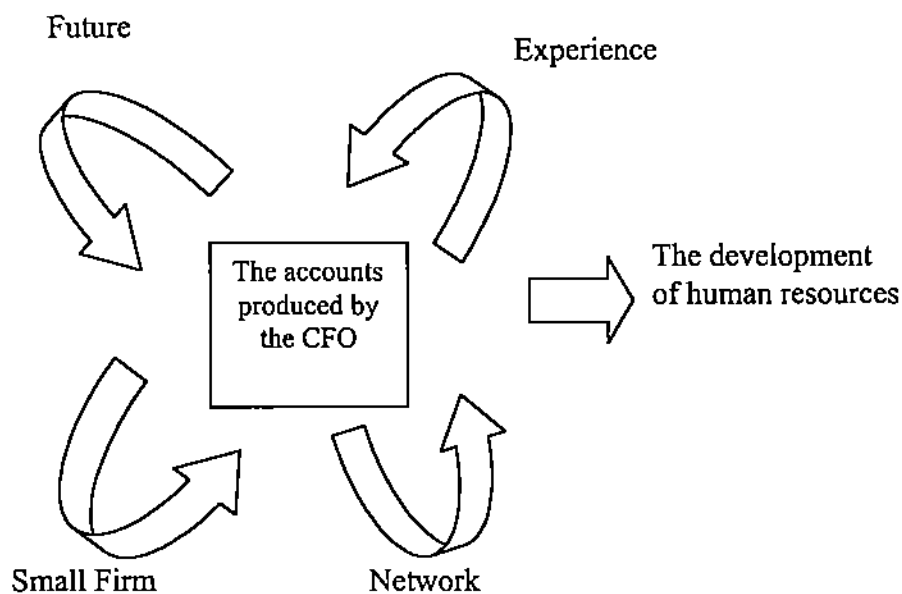


Figure 20. The discourses produced by the Chief Financial Officer.

The first discourse produced by the CFO is called 'Experience' (samples a.1.–a.7.). In this discourse, the CFO identifies herself as a 'mentor' who provides the firm as well as the Owner-Manager (CEO) (see sample a.6.) with her knowledge gathered during her past working experience. The experience is rationalised in a multi-faceted way. First, she talks

about concrete situations in which she has previously worked: mergers and acquisitions (sample a.2. line 2; sample a.3. line 4), as foreign subsidiary (sample a.2. line 3), in a firm on the edge of bankruptcy (sample a.3. line 3), as a manager for a group of Italians (sample a.4. line 1), being a manager in a large organisation (sample a.1. line 2) and running an international project (sample a.4. lines 2–3). Secondly, the experience is rationalised by describing the present job by using the metaphor '*children's play*'. Thirdly, the experience is seen to create 'good awareness' of the processes in the firm (sample a.5. lines 5–7) and a 'sense of numbers' which provides her with knowledge of the 'hidden shallows' (sample a.5. lines 15–17).

Actually, at the same time, the key employee links the experience strongly to the concept of ~~tacit knowledge by using the words 'sense of numbers', 'awareness' and the knowledge of~~ '*hidden shallows*'. Interestingly, in this discourse the firm as a start-up is identical with 'young and inexperienced'. This interpretation is directly expressed in sample a.1. (lines 5–6) as the key employee tells that it is natural that in a small firm like Firm B the management team is willing to develop the human resource but not having the competence to do so (e.g. the development does not always affect costs). Also, the interpretation is rationalised in sample a.5. (line 8) as the key employee says that the experience is of huge aid for an enterprise like Firm B.

As the experience is so important to young and small firms, how is it gathered and maintained? The key employee provides the answers in samples a.3. and a.7.: the learning means, first, listening and observing what the others are doing and, secondly, having competent people (matching senior employees' experience and junior employees' creativeness). An interesting deviation in this discourse can be found at the end of sample a.3. in which the key employee gives one example during her past career as she was processing a merger and as she had noticed that the work was not only to do practical things but rather that the emotions of employees are strongly present, too. This phase, actually, is so important (i.e. the understanding that the emotions should be taken into account in the changes of organisations) for the key employee that she even forgets the original question. Thus, this phase of the talk can then be considered as a hint of a matter which is important to the key employee.

Sample a.1. *Discussion on how the firm B has invested in the development of human resources. The transition (→) from the discourse 'Experience' to the discourse 'Small firm'.*

1. If we are talking [about financial investment in development] (.) so I have been
2. working as a manager in larger organisation and I know that there are
3. a lot of small things you can do in order to develop the joy of the work.
4. So to conclude, in my opinion the management team is willing and
5. motivated to develop → but every now and then the competence for that is
6. missing as is natural in smaller firms

Sample a.2. *Discussion on the background of the CFO. The transition (→) from the discourse 'Experience' to the discourse 'Future'*

1. If I analyse my present work I must say that this is as children's play for me
2. because in practice I have made mergers and acquisitions and adaptation and
3. as a Financial Manager I have created a foreign subsidiary so (.) so you can say
4. ~~that considering my background → I have decided to develop this firm to a~~
5. certain stage and then I will see what else I could do here...

Sample a.3. *Discussion on the best way to learn*

Researcher: *In your opinion what is the best way to learn?*

1. Well (.) One thing is that you listen and observe everything that the others
2. are doing. The second thing is that a real way to learn is through experience.
3. If you have been working while the firm is close to bankruptcy or if you
4. are proceeding a merger or acquisition then you are involved in the
5. practical issues and the whole scale of emotions are there, too.
6. So, that is one thing in personnel management (.) it is much
7. easier when you understand that there are the emotions and the
8. human being and...well (.) what was the question?

Sample a.4. *Discussion on the self-development of the CFO*

1. For example, to be the manager for Italians is completely different
2. compared with being the manager for Finns, and in the international
3. projects in which there are seventeen different nationalities involved it
4. is completely different to be motivated and it is so that you can
5. learn by reading some issues about the country but unfortunately
6. you really don't learn by reading a book.

Sample a.5. *Discussion on the future competencies of the CFO. The transition from the discourse 'Experience' to the discourse 'Small firm' and back to 'Experience'*

Researcher: *In your opinion what are your competencies?*

1. Oh, if we talk about my present job. What are my competencies?
2. oh, well, yes, it is perhaps (.) perhaps the holistic view of
3. accountancy. It is perhaps something which should have been

4. rooted during the ten years of working experience. You have
5. seen it from all angles. And there is (.) you have been developing
6. certain processes or you have so good awareness that you in a
7. short period of time notice that something should be changed
8. → so that kind of competence is of huge aid for a start up _ and
9. well I know that I can do that in practice and it isn't so that I
10. would like to do it but rather I can do it.

Researcher: *hmm*

11. So, for sure (.) there are certain issues and it helps if you think that
12. I know what to do and what are the possible 'shallows'. That is
13. very concrete. And in my opinion, even though the boys think that
14. accountancy is mystic so I don't think so and you can do it if you
15. have done it as your job. Every one can do it but, of course, you have
16. a sense of the numbers so that you can see the hidden shallows and you
17. understand what that means...

Sample a.6. Discussion on the future competencies of the CEO

1. I and Mikko²⁸ [i.e. the CEO], we are kind of coaching partners. Mikko is
2. in the position of managing director for the first time and so I have
3. actually even coached him in certain matters. After that Mikko of course
4. analyses the matter and decides...

Sample a.7. Discussion on the future of Firm B

Researcher: *In your opinion what would be an ideal firm?*

1. Oh, there are so many things. One thing is (.) that you have competent
2. people around yourself and it is important because you can learn from
3. them. The group is a mixture of experience and young
4. innovativeness. In my opinion there would be a good match.
5. And of course there should be real creativeness...

The second discourse produced by the CFO is called 'Future' (samples a.8.–a.11.; sample a2). The discourse actually explains why that kind of experienced person as CFO is motivated for a job which under-utilizes her competence. Actually, there is also a mutual understanding of the fact that the key employee is over-qualified for the current job (see sample a.9. lines 1–2). Consequently, today's less challenging work is tolerated by the strong vision for the more challenging work in the future. Also, the metaphor (sample a.10 lines 2–3) "*get wind beneath the wings*" presents a clear picture of a small start-up firm

²⁸ the forename of the CEO is changed.

waiting for its moment to grow and internationalise (sample a.8. line 3 and sample a.9. line 4). In addition, the key employee is waiting for new challenges and emphasises that she has already passed the times when she did just the basic and routine tasks (sample a.11.). To conclude, the main 'philosophy' of this discourse is presented in Figure 21. In the Figure 'a' means today's situation in which today's needed competence level (e) is not as high as the person's actual competence (d). The line c presents the expectation for the growth and the growing need for competence. The key employee is ready to tolerate the content of the work under-estimating her competence until the point b after which she expects that the work will provide more challenge as well as possibilities of developing on-the-job.

competence

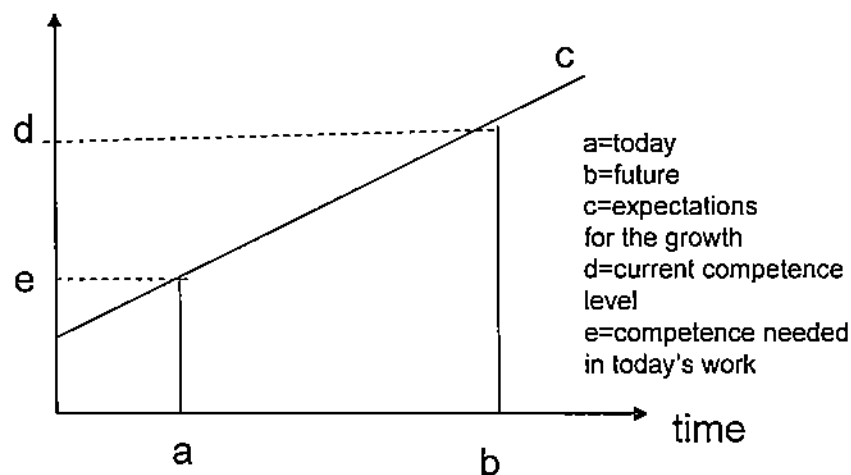


Figure 21. The expectations for the future in regard to the competence of the CFO.

Sample a.8. *Discussion on the background of the key employee. The transition from the discourse 'Small Firm' to the discourse 'Future'.*

1. Okay, let's say that my present work is the kind of work I have not
2. done during the past few years...
3. → As you know this firm is a start-up so it grows → and during the
4. growth you can participate in the kind of tasks that you could not do
5. in the larger firms and as the firm grows you'll get a good
6. position. So I think that I can see a kind of curve which actually
7. means the development

Sample a.9. *Discussion on the background of the key employee*

Researcher: *So you think that you have more competencies than is needed by your present job?*

1. Yes yes and I think that there is a mutual understanding with
2. Mikko about the situation
3. Researcher: *okay okay, so you will see after the start-up phase...*
4. Yes and actually it [i.e. the more challenging tasks] provides you
5. with challenges when the internationalisation is realised. I have
6. done that before, too, but of course there is the new perspective
7. which makes the job description completely different.

Sample a.10. *Discussion on the future of Firm B*

1. And then there is the third [scenario] which, of course, is on the
2. wish list of the personnel. Then (.) the firm has got wind beneath
3. its wings meaning that also other new strategic innovations have been
4. found. And that we have been able to expand
5. to a wider selection and a larger segment of customers...

Sample a.11. *Discussion on the future of the Firm B and the development of the CFO*

Researcher: *What are the primary targets for you?*

1. oh (2) it's a good question, oh, I hope that I don't need that kind of
2. competence any more which was needed in those jobs in which I
3. was after the school. The kind of basic legal issues and so on...
4. I have lived that phase already and I have the expertise on those...

The third discourse is called '**Small firm**' (samples a.1., a.8., a.12.-a.13.). The discourse is constructed by the CFO as if it would be natural and commonly known that, firstly, the growth is the natural target (sample a.8. line 3) and, thus, the 'normal' duties are done first because of the lack of time even though the importance of human resource development is understood (sample a.12.). Moreover, in this discourse it is taken for granted that in a start-up firm the managers or employees do not have all the same competencies as their colleagues in larger firms (sample a.1.). Also, the importance of personnel is acknowledged and, thus, the creation of a common working community and commitment of people become important (sample a.13.). To conclude, in this discourse the identity of the CFO becomes '*provider*'. According to the key employee there is lack of time as well as competence in the start-up, therefore her competence and experience are needed in order to support the growth of the firm.

Sample a.12. *Discussion on the human resource development in the Firm*

1. I have that kind of feeling that all persons understand how
2. important it [i.e. human resource development] is but it is so easy
3. to forget as you have all the 'normal' as said by using the quotation
4. marks and behind other business duties as you think that
5. you are in a hurry.

Sample a.13. *Discussion on the human resource development in Firm B*

Researcher: *So, you are responsible for the personnel issues, too. In your opinion, what is the role of the personnel in here?*

1. In a small firm like this the personnel is very important. I have
2. experience of outplacement, too, and I know that certain issues in
3. a firm can be outplaced but, however, the working community is
4. ~~very important and if you want employees to be committed the~~
5. cooperation and the relations between persons should be good – so
6. the personnel means a lot for a firm!

The fourth discourse is called 'Network' (samples a.14.–a.15.). The network is constructed as a personal network (sample a.14. line 1) which consists of persons from different phases of the CFO's career (sample a.14. line 2, line 9; sample a.15 line 5). The internal interaction between the members of the network is formed as the main means to develop oneself (sample a.15. lines 5-7). Hence, in this discourse the identity of the key employee could be called a 'colleague' who shares her knowledge and experience with the members of the network, and, at the same time, receives a kind of 'mentoring' assistance.

Sample a.14. *Discussion on the best ways to learn according to the key employee*

1. Then of course I have a network of my own. I still keep in contact with
2. some of my ex-fellow-students who work in the same kind of positions
3. as I do. And then there are managing directors or owners with whom
4. you can discuss and we try to meet two times a month just to discuss
5. and it is a good opportunity to learn at the same time. Let's say if I
6. have a demanding task here I can discuss it with my network and
7. learn about their experiences.

Researcher: *So the persons in your network work in same kind of positions as you do?*

8. So, well, I have got 'stuck' with those people during the past years.
9. There are the managing directors who used to be my bosses, some
10. colleagues from abroad and, also, a personnel manager who
11. hired me in the past.

Sample a.15. *Discussion on the best ways to learn according to the key employee*

1. My network is that kind of 'randomly selected' network in which
2. the contacts are made in both directions. So it operates in both
3. directions. And there is quite a lot of interaction. For example, a
4. managing director from a company employing over 100 persons asks
5. something of me. Let's say from all levels. You always can
6. learn from the people working in different phases of the
7. life cycles of their firms.

As a result, four discourses were explored: 'Future', 'Experience', 'Small firm' and 'Network' with the corresponding identities 'receiver', 'mentor', 'provider' and 'colleague'. Interestingly, in the 'Experience' and 'Small firm' discourses the key employee sees herself to be a person with a lot of experience and knowledge which are given to the firm. These discourses highlight the aspect that the person is bought as a completed resource or skill-base for the firm. In the 'Small firm' discourse it is taken for granted that the management team in the firm is inexperienced and, therefore, the experience of the CFO is needed. In addition, the identity of the discourse 'Future' is 'receiver' and, thus, the key employee is today ready to distribute her experience because she strongly believes that in the future she will get much more challenging work. Thus, today's work is tolerated because of the expectations of future growth. Another aspect of sharing the knowledge is formed in the discourse 'Network'. In this discourse her identity is 'colleague'. The key employee develops herself by active working in a network of her own.

To conclude this chapter, the interaction between discourses is described in Figure 22. Thus, there can be seen a relationship with the 'Experience' and 'Future' discourses. Consequently, the experience is needed in order to achieve the growth of the firm (and a more challenging job). Another relationship can be found between these discourses, too. The experience is used as a means to maintain the relationships between the members of the network. Actually, there is a continuous exchange of knowledge and experience between the members of the network. Finally, a contradiction between the discourses 'Experience' and 'Small firm' is discovered. In the 'Small firm' discourse it is taken for granted that a start-up firm can be interpreted as 'young and inexperienced'. Thus, the experience is gained during the previous phases of the career rather than achieving the experience at the same time as the firm grows and proceeds in its life cycle. To conclude, the human resource

development is analogous to learning from others' experience by networking and by gathering experience from different firms.

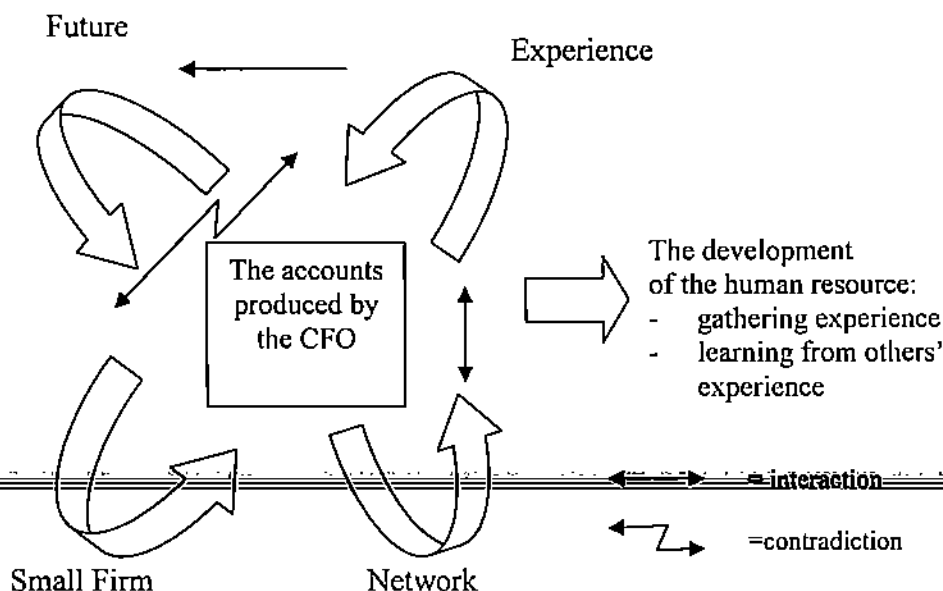


Figure 22. The interaction between the discourses produced by the CFO.

4.3.2. Owner-Manager (CEO)

The Owner-Manager is over 40 years old and has a technical doctorate qualification. He is one of the three founders of Firm B. Before the founding of Firm B he worked as consultant in the field of telecommunications technology development as well as researcher in the university. Moreover, he has always been interested in learning and education and, therefore, he has accomplished pedagogical studies, too. The Owner-Manager was met during research process two times. The aim of the first discussion was to present the research, learn the history of firm B as well as to identify of the key employees. During the second appointment the thematic interview was made. The Owner-Manager produced totally four discourses during the thematic interview. The discourses were named as (1) 'Learning philosophy, (2) 'Start-up', (3) 'Shared learning' and (4) 'Leadership dilemma' (Figure 23).

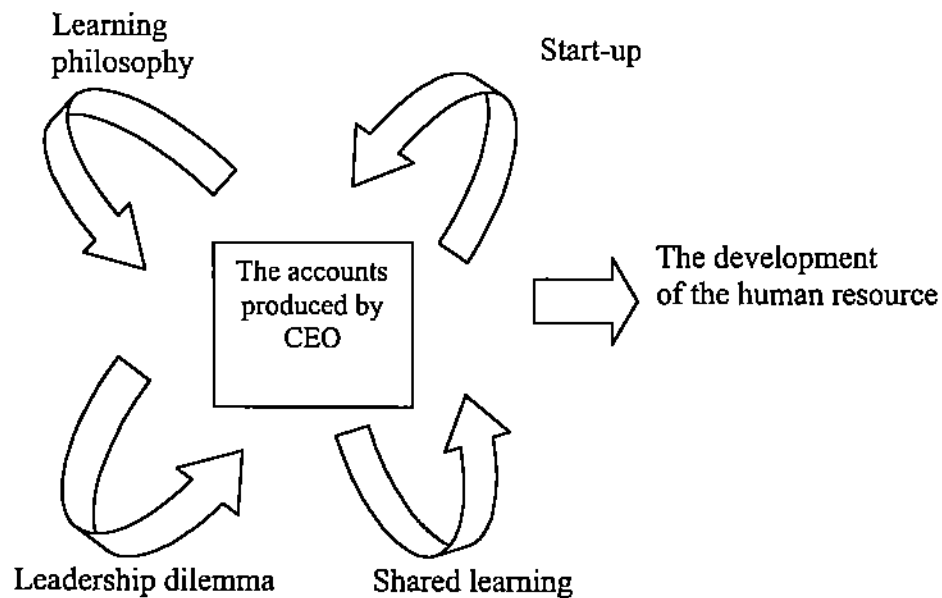


Figure 23. The discourses produced by CEO.

The first discourse produced by the CEO is called '**Learning philosophy**' (samples b.1.–b.10). In this discourse the learning is deeply rooted in the philosophy and the attitudes of the key employee. Learning philosophy is rationalised by referring to the CEO's pedagogical studies (sample b.4. lines 1–2). Learning philosophy is constructed, first, by expressing the interest in developing his meta-cognitive skills (sample b.1. line 2) and, secondly, developing the understanding how he learns to learn (sample b.1. line 3; sample b.7. lines 8–9) and, thirdly, by using an extreme metaphor '*learning is my religion*' (sample b.5. line 2). In this discourse the picture of the key employee as a learner becomes very clear: first, there is a critical attitude towards separate training courses (sample b.1. line 4–5; sample b.4. lines 3–5) and, secondly, the best way to learn is to think that every situation at work is a learning opportunity (sample b.2. lines 2–7) and, thus, every task can be done a little bit better next time (sample b.6. line 3; see also sample b.10. lines 3–7). In sample b.10 (lines 3–7) the attitude always to do a little bit better is made convincing by referring to the famous (in Finland, especially) former ice hockey coach who used the same philosophy. Moreover, an important part of the philosophy is the reflection on the daily tasks and the analyses of how the tasks are connected to the past and future of the firm (sample b.3. lines 1–3). Interestingly, the discourse is strengthened in sample b.5. by using

the traditional rhetorical means, i.e. by quantifying as well as presenting the opinions as a professional. In this sample the CEO uses quantitative figures (percentages) in order to assure the researcher that the person is a professional on learning and education (cf. sample b.4. lines 1–2). Consequently, the CEO understands the dangers which are included in his way of learning: the danger is that he is trapped in his self-confidence and in the ‘do-analyse-reflect’ –chain (sample b.7. lines 11–12). Also, one of the risks is the continuous interest in learning, which may prevent the patience by repeating the learned procedures and developing them rather than creating something new all the time. Finally, in sample b.8., the key employee, actually, describes how difficult the learning is. In this sample, he knows that he should balance his work and leisure time and sees himself working in an ‘abnormal’ way, i.e. being stressed and working too much. In this respect, the key employee constructs a slight ‘crack’ in the dominant discourse: the learning by doing does not solve all the problems unless it will change the ways of working. In sum, in this discourse the CEO produces for himself an identity which can be called ‘researcher’, who analyses the daily work, gathers new information from the environment and combines it in order to develop the Firm.

Sample b.1. *Discussion on how the person is developed during the working career*

1. For a long time I have been interested in learning and education
2. and I have tried to develop my meta-cognitive skills in order to
3. understand how I learn and how I don't learn and frankly that
4. I have been very selective regarding the courses or seminars in
5. which the speaker announces that “Now we are here to learn”

Sample b.2. *Discussion on how the person is developed during the working career*

1. I rather study by myself. For example, we have bought literature,
2. but the largest part of learning is obtained through the everyday
3. work and let's say that whatever I do I consider my every task for
4. example a meeting with a client to be a kind of learning
5. experience. I never make it just like always before but (1)
6. I use a lot of time to listen to what is said and analysing what could have
7. been done better (.) it is a learning experience every time.

Sample b.3. *Discussion on how the person is developed during the working career*

1. For me the best way to learn is just to sit down and reflect
2. what happened today and how it is connected with tomorrow and
3. yesterday...

[later during the same theme]

4. But in all the best way to learn is the everyday activities: literature,
5. colleagues, customers and some internal processes...

Sample b.4. *Discussion on how the CEO has invested in his own development*

1. Well, I am a very stingy person and I would consider myself to be a
2. professional on learning [referring to his pedagogical studies], too.
3. The tasks I have done all my life (.) I have
4. had different occupations and I (.) could relatively freely attend all
5. kinds of training courses...but I have not wanted to use money. I want that
6. money used on sales and marketing and some money for the
7. conferences. I attend conferences quite often and they provide
8. opportunities to learn, I really want to understand where we a going and
9. what I should learn. In my opinion the picture of the whole
10. puzzle becomes clear

Sample b.5. *Discussion on the role of the personnel in Firm B.*

Researcher: *What do you think are the issues which can be learned?*

1. I think that about seventy per cent of learning can be learning by
2. doing. But I must say that learning is my 'religion' and I think that besides
3. learning by doing there are other ways to learn but as we started
4. it would have taken three or four times more time than it did and the
5. thirty per cent of learning is essential. However, the critical point is
6. how you behave in the real situation and what kind of consequences there
7. are and those are the things which cannot be learned in any other way than
8. by experience.

Sample b.6. *Discussion on what is the best way the key employee learns*

1. Well, I am so analytic and, thus, even a difficult person as
2. I am so analytic
3. I try continuously to think about the attitude 'a little bit better' which I
4. have. It is a cruel attitude, too. It could mean that I am never satisfied...
5. Then there is the kind of 'meta' question whether it is good to learn
6. continuously. In my opinion it is not good. But that's what I am.
7. There are the bad and good sides but my way to learn is to analyse.
8. I try to combine the things in my head and, of course, I go through the
9. feedback with the others...

Sample b.7. *Discussion on the benefits of previous training*

1. The main benefit has been the pragmatic attitude. The understanding
2. that there are problems and there are difficult problems and with
3. the difficult problems you have to work even harder. And I am used
4. to the fact that I cannot solve all the problems because I have seen
5. problems that have not been solved even though people have tried
6. to solve them during the past five hundred years...Secondly, I have

7. learned to work hard and I have learned that every problem you can
8. at least try to analyse even though you cannot solve it. Thirdly, I have
9. learned to know how I learn myself and what kind of values I have.
10. Perhaps the greatest strength is the critical attitude which I have. Of
11. course, the critical point is that I am too self-confident and then I am in an
12. analytic loop just sitting in the sofa and thinking and getting nowhere.

Sample b.8. *Discussion on the future of the key employee*

1. Well,(.) let's say (.) in the five-year perspective I should get rid of my
2. abnormal way to do the work let's say I have some problems in uh
3. balancing work and leisure time (.)...

Researcher: well..

4. And there is no sense that a firm small like this and known by nobody.
5. Is it so important after all?

Researcher: hmmm

6. The big challenge is how could I say (.) doing the work so that you could

~~7. have time for other things too...~~

Researcher: hmmm

8. Those are the things I should get rid of. And that kind of learning is hard
9. for me. And it is hard to say how it could be learned. It is more like
10. feeling, a kind of management of life. The knowledge (.) does not help
11. at all. And the more you have knowledge the more pain you feel...

Sample b.9. *Discussion on the future of Firm B*

1. Always as I have wanted to learn something new and as I have learned it I
2. somehow feel that I don't want to do it again and, actually, I want to learn
3. something new.

The second discourse is called 'Shared learning' which emphasises the importance to share the learning and information among the whole personnel (samples b.10–b.11). In this discourse the key employee identifies himself as an 'active leader', who creates opportunities for his subordinates to share the new knowledge acquired by participating in external training courses or seminars. The CEO constructs the discourse in his assumption that the best way to learn is to teach others (sample b.11. lines 6–8). Interestingly, this insight is different from the one expressed in the discourse 'Learning philosophy' (i.e. the analyse->action->reflection -chain). However, these insights are close to each other as the CEO emphasises the importance for an employee to understand (sample b.11. lines 14–15) what he or she has learned in order to be able to present it to others. Consequently, the CEO provides the answer to this difference in lines 10–12 (sample b.11.): the presentation is a means to control whether the employees really have learned during the courses or seminars.

Another 'hidden agenda' in 'Shared learning' is stated in sample b.11. (line 23) meaning the CEO's interest in developing the firm's working atmosphere. The close connection to the discourse 'Learning philosophy' can clearly be seen in sample b.10. In this sample the means for sharing the knowledge is rationalised by the creation of 'a little bit better' attitude.

Sample b.10. *Discussion on the role of the personnel in development. Transition (→) from the discourse 'Shared learning' to 'Learning philosophy' and back to 'Shared learning'*

1. We have the kind of structured (.) meetings both with the stakeholders
2. and with the employees by ourselves on which the aim is not directly
3. to learn but rather to innovate. → I have tried to create – being more or
4. less successful – a kind of 'lite bättre' [Swedish: meaning 'a little bit
5. better'] attitude as that of Kurt Lindström [the former coach of Finnish ice
6. hockey team which won the world championship]. I have told that you
7. ~~always can do a little bit better by just observing what you are doing (=) →~~
8. And sometimes we have a kind of workshops in which we go
9. through the feedback ...

Sample b.11. *Discussion on the role of the personnel in development*

1. My attitude is divided into two. First, we have a certain amount for the
 2. personnel training reserved in the budget covering about two short courses
 3. per person and then we have the internal events. Also, we have arranged
 4. training sessions for the whole personnel for about six months. A lesson
 5. lasted 45 minutes every Friday and we had morning coffee at the same
 6. time. This is linked to my pedagogical background. I believe that the best
 7. way to learn is that you learn the issues (.) as you hear your own voice
 8. which is explaining (.) it's an amazing experience! So we have aimed that
 9. the persons who have participated in any training should have the responsibility
 10. to make some kind of presentation and tell what they learned. It is perhaps
 11. cruel to say but there is the possibility of controlling whether the persons
 12. really have learned and that they were present and awake
 13. during the training. But as the persons know
 14. this beforehand, it isn't any surprise for them and it improves the quality
 15. of learning and improves the understanding of the person who is
 16. presenting the issues as well as the others who get the information.
- Researcher: *Do you do the same when you have participated a conference or...?*
17. Yes, we have the breakfast meeting on Fridays. First we just chat for
 18. about thirty minutes and then the other thirty minutes are reserved for the
 19. information and I tell them what I have learned but of course there are
 20. issues that can not be told, unfortunately, for example if I have learned
 21. something which proves that the work the persons have done isn't good or
 22. something like that. This is extremely rare though. And there are (.) that
 23. kind of 'hidden' meanings for example the sense of 'our firm' when all
 24. employees know what the others are doing. And everybody

25. is of course interested in how the firm is doing...

Third discourse produced by the CEO is called 'Leadership dilemma' (sample b.12.). In this discourse the CEO analyses his leadership skills, especially the skills to motivate, recruit and analyse the employees. The CEO analyses his background as a highly committed person who is devoted to the firm and concludes that perhaps he has been even naive in thinking that everyone else acts in a similar way. This discourse brings the CEO back to the 'ground' from the higher spheres of the discourses 'Learning philosophy' and 'Shared learning'. This discourse is constructed by the 'voice' of the experienced manager. Thus, the CEO's identity can be referred to 'realistic leader'. The negative experiences regarding the leadership have been on the failures of some recruitments (lines 10-12) and on the experience of how hard it is to motivate or rather stimulate the persons (lines 13-14).

Moreover, the understanding that there are such different types of employees has grown the more experience the CEO has gathered. He rationalises this by saying that sometimes the persons who seem to be the most silent, are actually bright persons whom he can count on (lines 14-16). Actually, in this discourse he concludes that the key to avoiding failures in the future is based on the idea that all the employees (including himself) finally think only their own best – not of the firm. In this respect, the dilemma is that you should understand that all the employees are different and, thus, you should be open-minded (line 16).

Sample b.12. *Discussion on the role of the personnel in human resource development*

1. Then there are the personnel issues which I should learn, unfortunately,
2. both in good and bad. These are highly valued words but anyway it means
3. that I have learned that I have a lot to learn because I can not mirror what
4. the employees are thinking, and I have been a bit naive in that sense that I
5. thought that every one wants to do his or her best for the firm and if I
6. think of that more deeply there isn't anyone to think of anything else but his or
7. her own best, and, actually, that is what I am doing, too. I think of the firm's
8. best only because I am one of the owners and as I have the
9. attitude not to neglect my duties and it is perhaps over-emphasised, too.
10. This is something I thought that I had learned but I hadn't as I have done a
11. couple of unsuccessful recruitments and I can say that there have been
12. some failures. I am not any good recruiter. And there is the other thing.
13. How hard it is to stimulate the employees and how hard it is
14. to activate them. Also, There are the silent ones and actually they are the
15. 'sharpest' ones who can be used in many tasks and whose help you
16. always can count on (2). You really should be open minded and perhaps
17. this is a kind of soft value which actually is a considerably

18. hard value. This has been proved to be difficult...

The fourth discourse produced by the CEO is called 'Start-up' (samples b.13.–b.18.). In this discourse the determining factors affecting the human resource development are the venture capital funding as well as the firm's location in the start-up phase in its life cycle (samples b.13.–b.18.). The fast tempo of the firm is rationalised by using the metaphors of 'heart' and 'pump beating horribly fast' (sample b.14. lines 1–4). In this respect, the start-up firm is located in a totally different context than all the other firms (sample b.15. lines 4–7). Thus, the fast tempo of the firm is a factor which forces the firm to buy the new knowledge and skills rather than to develop the existing human resource (sample b.14. lines 5–8). Moreover, the management of a start-up firm and the cooperation with venture capitalists have provided the CEO with an extensive learning experience (sample b.17. lines 3–4) including, also, the necessity to find the balance between self-development and the turbulent way to operate (sample b.13). In sample b.17., the work as owner-manager has been the main means to learn. In this discourse, the founder of the start-up firm is seen as a 'lonely actor'²⁹ trying to understand the expectations of venture capitalists, and, thus, trying to make decisions which target the demanding visions of the owners. Thus, the identity of the CEO can be called 'founder' who still is the only employee in the firm starting the business even though the firm is already over two years old having 22 employees.

Sample b.13. Discussion on the background of CEO

1. I have learned a lot (.) how this kind of start-up firm operates.
2. The firm is funded by venture capital and we are expected to
3. operate fast and I have learned how in this kind of schedule I
4. can balance between self-development and with turbulent
5. business environment.

Sample b.14. Discussion on the background of CEO

1. One of my dogmas is that (.) a venture-capital funded start-up operates
2. in a completely different time horizon than any other firm. Its heart
3. beats faster. This is my experience that it is like a pump which
4. bumps at a terribly fast speed and we don't necessarily have time
5. to obtain new skills by training but we learn on the job and the

²⁹ Interestingly, neither key employees nor other employees are present in the discourse.

6. new skills we need are recruited directly and this is the second way
7. how we handle this. If we don't have the competence we buy one and
8. he or she teaches the others. By complementing these elements...

Sample b.15. *Discussion on the role of the personnel in the human resource development*

1. But let's say a couple of issues which have come as surprises to me
2. so (.) well there are those well (.) I have a much clearer picture
3. I have a better picture of what it means to be a young firm like this
4. funded by venture capital and I argue that it is completely different
5. than a kind of stable firm funded by incoming cash flow or (.)
6. Here we go fast and the targets are demanding and well well the
7. decisions have to be made fast.

Sample b.16. *Discussion on the role of the personnel in the human resource development*

1. And about the differences in operations, there is the factor that the
- ~~2. results have to be scaling and we have to aim to do~~
3. business which can beat the international competitors and
4. we cannot think that now we've got it
5. and with it we will live (.) it asks for product development
6. and it demands different ways to do business...

Sample b.17. *Discussion on the role of the personnel in human resource development*

1. Well I have learned how to live with those venture capitalists and
2. it has been a kind of funny experience. They are acting completely
3. in an unexpected manner (2) It has been (.) I would argue that even if
4. I have learned a lot in the past, during the past two years I have
5. learned more than in my life-time. But it has been very difficult, too.
6. Those kind of days I really would not wish ever to face.

Sample b.18. *Discussion on the role of the personnel in human resource development*

1. In the beginning I listened to the venture capitalist in an arrogant manner
2. when they asked whether this was my first start-up. I thought: "Oh yes,
3. what a stupid question". Now I understand the meaning of the question
4. completely.

To conclude this chapter the interaction between the discourses produced by the CEO will be discussed (see Figure 24). Totally four discourses with four identities were constructed by the CEO presenting a multi-disciplinary picture of the 'world' of human resource development. In the first discourse most of the learning can occur at the work place if the person analyses and reflects on the daily activities actively and combines new information and knowledge in order to develop the firm. The identity was described as a 'researcher'.

This discourse has a close interaction with the 'shared learning' discourse in which the new knowledge gathered outside the firm is shared with other employees. Thus, the task of the CEO is to create conditions in order to facilitate the sharing of the new knowledge. As a result, the learning 'chain' will be formed as *'do-analyse-reflect combine new knowledge and share the new knowledge with others'*.

Interestingly, the use of the words 'I' and 'we' differs almost completely between these discourses. In the discourse 'Learning philosophy' the actor is the CEO himself and the other employees are almost completely missing. A total change occurs as the CEO talks inside the 'Shared learning' discourse. By changing the vocabulary and using 'we' instead of 'I' the CEO constructs a picture of a common understanding of the importance of sharing knowledge. By doing this, the CEO actually diverges from his own interest (i.e. 'the hidden agenda') and creates a picture of a common aim to share the knowledge. However, the picture is not so simple. The third discourse brings in the 'Leadership dilemma' which means that not all of the employees are ready for the 'learning chain' and, thus, the leader can not naively think that all persons are similar and similarly devoted to and motivated for their jobs. Thus, there are contradictions with both 'Learning philosophy' as well as with 'Shared learning' discourses. In addition, the context of the firm forms the fourth discourse which is called 'Start-up'. As this discourse highlights the importance to learn by experience (especially the management of a start-up firm), the discourse is closely connected to the 'Learning philosophy' discourse which highlights the importance to learn by action and by analysing and reflecting on the action. Despite this connection, there is a contradiction between the 'Start-up' and 'Shared learning' discourses.

The identity of the CEO in the 'Start-up' discourse is named as 'founder' meaning that the CEO sees himself still to be the first person starting the business and working with venture capitalists. In this discourse there aren't other learners except the CEO himself trying to manage the firm in a turbulent environment. As a result, the consequences for the human resource development affected by this discursive world can be concluded to emphasise the importance of on-the-job learning including the learning 'chain' or process: *'do-analyse-reflect-combine-share'*. The on-the-job is seen to cover 70% of the total learning whereas 30% of learning is gathered by attending training courses, seminars, conferences etc.

However, due to the fast tempo of the firm the newest knowledge is acquired by recruiting new persons with the appropriate knowledge. In order to lead and develop the human resource effectively the key is in the understanding that all the employees are different with different motives – mainly thinking of his or her best (i.e. not the firm's best) only.

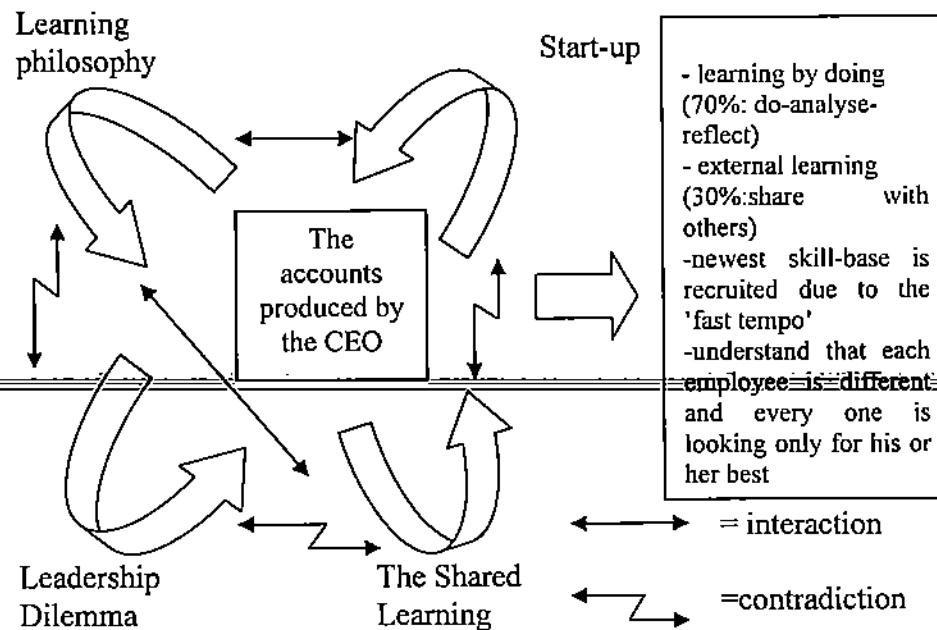


Figure 24. The interaction between the discourses produced by the CEO.

4.3.3. Vice President, development

The fifth key employee in Firm B is responsible for the product development team with seven subordinates. He is 31 years old and has a university degree on computer science. He has worked in several different companies in the field of IT-technology including one of the world's largest telecommunication companies. In Firm B he has worked for two years and, actually, he was the first salaried employee in the firm. As a key employee he was highly valued (having the experience of product development projects and the ability to lead the team). Also, his substitution can not take place without having effects on the whole organisation. As a member of the 'bundle' of other key employees he is hard to be imitated. Moreover, an agreement of prohibition on competition was made in order to diminish the

risk of the person leaving the firm. The discourses produced by the key employee were called: (1) 'Social competence', (2) 'Balancing life', (3) 'Start-up' and (4) 'Tacit knowledge' (Figure 25).

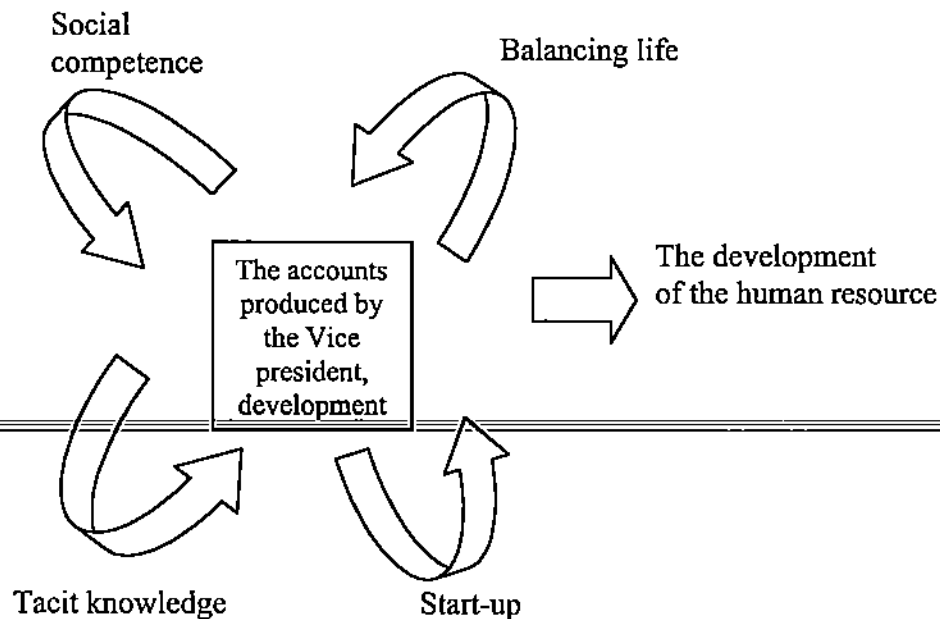


Figure 25. The discourses produced by the Vice President (development).

The first and dominant discourse is called '**Social competence**' (samples c.1.–c.8.). In this discourse the ideal employee for a small firm like Firm B (sample c.7) is described to be an extrovert person (sample c.2 line 3) having good social skills for group and pair working (sample c.5 lines 1–7) and ability to discuss and argue (sample c.2. lines 4–5). Thus, a person with these attributes can become a key employee, too, if he or she can turn the sometimes pressing situations of the firm into humour and, thus, create a pleasant atmosphere (sample c.1 lines 7-10). Simultaneously, by describing the ideal employee the key employee constructs a picture of himself [i.e. the identity for this discourse] as "*an extrovert team leader*" who has gained his social skills from being a member of a sports team (sample c.6) and, also, during his working career (sample c.4 line 2). Moreover, the social skills are needed in order to develop the personal network (sample c.5 lines 7–11) and, thus, the development of the network is seen to be the main challenge in the future development of the key employee (sample c.8).

Sample c.1. Discussion on the concept of 'key employee'

1. An important person is a kind of 'social key employee' who is
2. a person who has the ability to lead the team and he or she does
3. not have special skills in technology and, theoretically, he or she
4. could easily be substituted but as a person he or she is valuable and
5. if the person leaves the firm the whole dynamics of the group could
6. suffer a lot.

Researcher: *Do you mean that the kind of personal attributes are important?*

7. Yes, and the attribute is the social competence.
8. Especially in pressing situations it is good to have a person who can
9. turn the atmosphere by using humour and telling a couple of jokes and
10. that could be vital for the survival...

Sample c.2. Discussion on the background of the key employee

1. A great deal of the work is done in pairs and, thus, the persons
2. have to talk with each other and in that sense we have a good
3. situation that almost all are socially extrovert and they are able
4. to share their knowledge and they are able to discuss and
5. argue, too. In that sense, the situation in our Firm is different than
6. in many other IT firms.

Sample c.3. Discussion on the background of the key employee

1. And it is so that no one is working in his or her first working place
2. and everyone is experienced and respects the others as experts and
3. they are not introvert persons, but rather, very dynamic and
4. the kind of persons that don't live only for the work and
5. sometimes the atmosphere is almost wild [laughing]

Sample c.4. Discussion on the development of the key employee

1. In all (.) in my opinion the social part of my job (.) I suppose that doesn't
2. have to be developed a lot neither the competence I have gained until
3. now, however, the technological expertise
4. should continuously be developed

Sample c.5. Discussion on the development of the key employee

Researcher: *You mentioned that the discussions with other person are important. What kind of discussions do you mean?*

1. During the planning we have started to use a kind of technique called
2. 'team planning'.

Researcher: *okay*

3. So, there is always a person who is responsible but usually there is the
4. team because nowadays the planning is connected to so many
5. parts of the whole system that different persons have a better

6. knowledge of the parts of the system and it is so huge and it is
7. hard to be handled by one person only. Then, if we talk about the
8. circle of my friends. There are persons who have made similar kind
9. of things during their career as I have. So, we can talk (.) mainly about
10. problems on a common level. And my colleagues who have worked in
11. larger as well as in smaller firms and in different occupations. There is
12. a huge amount of experience to be exchanged.

Sample c.6. *Discussion on the development of the key employee*

Researcher: *What about your leisure time and hobbies?*

1. So, (.) well I have read books ever since I learned to read and
2. what really has helped me is the sports and especially being a
3. member of a sports team and this has been of great help on
4. the social side...

Researcher: *okay*

5. but as you know usually if you are actively involved in associations
6. (:) the motivation is personal and the desire to do something for
7. the benefit of all the others. This is the key if we talk about the
8. team coaching. The other thing is the planning and coordination of a
9. large sports team...

Sample c.7. *Discussion on the future of Firm B. The transition (→) from the discourse 'Social competence' to the discourse 'Start-up'.*

Researcher: *In your opinion what are the challenges of the personnel development if you have a team of 15–20 persons in the future?*

1. It means that I have to do more not only on development but
2. for the well-being of the personnel. There is a problem for me. The
3. persons who will be recruited should be socially competent for
4. the team and → it is one of the greatest challenges for a small firm like
5. us. So, the importance of social competence will be prevailing in
6. the small but growing firm.

Sample c.8. *Discussion on the future development of the key employee*

1. If you need to learn something very fast then a short course is okay
2. but, I personally think that I need to develop my network (.) to gain
3. more persons for the exchange of ideas...

The second discourse is called '**Balancing life**' (samples c.9.–c.13.). In this discourse the identity of the key employee is formed as a '*manager trying to balance his life*' between three pillars: work, family and leisure time (sample c.10. lines 1–2). The balance is built on the idea that there is only a certain number of hours and, thus, the balance is achieved by limiting the number of tasks, i.e. if you are given more responsibility then you should, also,

leave or delegate some tasks (sample c.11.). In this sense, the managerial condition for the balance is that every person in all levels of the firm has a manager who takes care of his/her subordinates (sample c.9.). The balance is closely connected to the development of the key employee. Particularly, if the balance is achieved the person has strength to develop him/herself, otherwise, the person becomes too tired. Interestingly, the metaphors in this discourse are raised from the battlefield (sample c.9. lines 7–9). The key employee regards himself as *'a tired soldier in the battlefield facing the tiredness due to the long lasting fight'*. Actually, the tiredness appears in three samples (c.9. line 8; c.12 lines 9–10 and sample c.13 line 3). In this discourse, if the balance is not achieved the tiredness will inhibit the development. In fact, lack of time and tiredness are both explained to be the inhibitors of the development (sample c.12. lines 9–10). However, tiredness is raised to be the real inhibitor in sample c.13.

Sample c.9. *Discussion on the development of the key employee*

1. I really prefer the traditional model of management in which the
2. manager takes care of his subordinates and sometimes 'forgets'
3. him/herself. You should have a boss who takes care of yourself. And
4. the managing director should have the board to take care.

Researcher: *well*

5. but of course, the development has been in my mind and of course
6. I should have the possibility of studying but it is not only the lack of
7. time but then you get tired of the 'battle' as you have 'fought' for a
8. long time (.) then you simply get tired. Earlier as I was younger
9. I left for home and continued working...

Sample c.10. *Discussion on the development of the key employee. The transition (→) from the discourse 'Balancing life' to the discourse 'Start-up' and to the discourse 'Tacit knowledge'*

1. It is not only the family-life but the personal hobbies and and
2. there should be those three 'feet'. Let's say that you have the
3. family and work and the solution would be having more employees
4. → but then we face the impossibility that in this phase it is not
5. possible for the firm

Researcher: *Okay, so in sum, you have to 'clean' away some parts of your work?*

6. Yes, exactly, clean away, I don't see anything else because those things
7. have to be done any way and → quite often, you know, that in order to do
8. this it will take an hour of working time but if somebody else is going to
9. do it, it will take a couple of days.

Researcher: *well*

10. This does not mean that I couldn't be replaced but for some reason that

11. is the truth...

Sample c.11. *Discussion on the development of the key employee.*

1. Some day you have to give more responsibility to others, because you
2. have a certain number of working hours, and you can handle a certain
3. number of issues, and if you have to take one more issue you should at
4. the same time leave something. And if I have learned something, as I have
5. run a lot of projects, so [laughing], the truth is if you get more tasks
6. you have to leave something.

Sample c.12. *Discussion on the development of the key employee.*

1. Sometimes it helps that you learn something which has been known for a
2. long time...

Researcher: *okay*

3. but if you have an open mind and you read some old things, too. Even
4. ~~though the business environment and the technological 'arrow' develop all~~
5. the time, the basic knowledge in computer science has been
6. developed in the 1960's and 1970's. With those basic things it is much easier
7. for you to learn new knowledge as you understand that the basics
8. have not changed.

Researcher: *What is then the means to get the newest knowledge for you?*

9. Well (.) in practice (.) there aren't any other means than to have time
10. enough and let's say that you are not too tired.

Sample c.13. *Discussion on the development of the key employee.*

1. So when you have time, it is worth while to read the publications but this
2. unfortunately, has been minimal and it is because you simply are, to be
3. honest, it is because I have been too tired to do that. I have got time but
4. you really don't have strength to do that.

The third discourse is called '**Start-up**' (samples c.10. and c.14.–c.17.). First, the start-up firm is small, and thus, all the persons seem to cause a 'strategic problem' if he or she leaves the firm (sample c.14). Secondly, the start-up firm is at a 'critical point' (sample c.16. lines 2–3). Hence, the start-up phase of Firm B affects the self-development of the key employee as well as his work load (sample c.15 lines 5–6). Therefore, the key employee has concentrated on taking care of his personnel and, actually, has consciously 'forgotten' himself regarding developmental activities (sample c.16. lines 4–5; sample c.15. line 3). Thus, the discourse is closely connected to the discourse 'Balancing life'. In sample c.9., the idea of a manager taking care of his team is described. Particularly, in this discourse, the time horizon becomes essential. The key employee actually notices that the

firm is already two and a half years old meaning that the first employees have been working for the same time (sample c.17. lines 3–4; sample c.16. lines 6–7). Actually, the notion that time has run fast is strengthened by a laugh (sample c.16. line 7). Thus, the need for development has been accumulating ever since the start of the firm and the development has become more and more important (sample c.17. lines 4–5).

Sample c.14. *Discussion on the background of the key employee*

1. In a small firm quite often all the employees are investments which have
2. been analysed very carefully and if someone leaves, the firm
3. will face a strategic problem...

Sample c.15. *Discussion on the role of the employees in Firm B. The transition (→) from the discourse 'Start-up' to the discourse 'Balancing life'.*

-
1. ~~I try to ensure that my team has money for training purposes and that~~
 2. everyone has the possibility of developing him/herself but because of the firm's
 3. current situation I myself have not had any kind of development. And I
 4. have discussed that with our managing director. I simply have not had any
 5. time due to the situation of the firm and I have had so much to do and
 6. → so many 'hats' that I have not had any guts → and I have concentrated
 7. on taking care of the actual workers that their skills are updated...

Sample c.16. *Discussion on development of the key employee*

Researcher: *So you should take one part of your working time for the development?*

1. Yes, but on the other hand, there is always the question of priorities and of
2. course there are things that have to be done because the firm is at a
3. critical stage...

Researcher: *hmm*

4. It is so because you know the other side and you don't think about
5. yourself only.

Researcher: *What could be the ideal solution then?*

6. Well, actually, it is quite hard to see what could be the ideal solution (.)
7. but we were in the same situation already two years ago [laughing]
8. We have been forced to change our focus and all the time we have lived
9. in an extremely important phase. Then there has not been any time...

Sample c.17. *Discussion on the future of Firm B*

1. One thing is that a person can do his or her job with less possibilities of
2. developing for a certain period of time if there are other compensations. But
3. as we are coming to the phase in the life-cycle that most employees have
4. been working for two and a half years the development becomes
5. more and more important

The fourth discourse was called 'Tacit knowledge' (samples c.10; c.18.–c.19). First, the key employee knows that he should diminish his work load, but that is hard because he knows that he can do the tasks faster than his subordinates (sample c.10. lines 7–11). Also, tacit knowledge is connected with the person's knowledge, which would disappear if the person left the firm (sample c.18.). In this sample (c.18. line 3) the metaphor 'skin package' is used in order to emphasise the person's specific knowledge. In this discourse, tacit knowledge is seen to be gathered during the working career ever since the start of the firm (i.e. the date 'zero') (see sample c.19. lines 1–3). As a result, the key employee has gained a wider angle and holistic knowledge about the firm (sample c.19. lines 3–7). The transfer of tacit knowledge becomes also essential but it would need more employees, which, however, is connected with the lack of financial resources (see the transition to the discourse 'Start-up' in sample c.19. line 9).

Sample c.18. *Discussion on the background of the key employee*

1. I would emphasise the concept of tacit knowledge and things like that and
2. its' importance (.) a lot disappears if a person leaves. A lot of
3. knowledge which is loaded into a 'skin package'.

Sample c.19. *Discussion on the role of the key employee. Transition (→) from the discourse 'Tacit knowledge' to the discourse 'Start-up'*

1. If I would next talk about our work ever since the date 'zero'. You really
2. know all the history which lies behind the issues and that kind of
3. 'compressed' knowledge of how we have come to this point, and, moreover,
4. as you have been involved in the firm's activities and the work I have
5. done in product development then you have a wider angle and you know
6. how the things are interconnected and you know about the products
7. and so on.

Researcher: *hmm*

8. well (.) so it is (.) if I only could hand it over and share it forwards and get
9. more persons but → it is a financial question as well as a question of time resources.

In sum, the discourses produced by this key employee form a 'discursive world' in which, first, the human resource development is dependent on how well the person can balance his life in order to have strength and motivation to develop. The main inhibitor is the tiredness if the balance is not reached. The main contributor of the balance is a manager who takes care of his subordinates (in all levels of the organisation). Moreover, in a small start-up firm the work is mainly done in groups or in pairs. Thus, social competence is needed. In

addition, tacit knowledge will be gained along with the growth of the start-up firm. But due to the growth of the firm more employees are needed and thus, a challenge will be the transfer of tacit knowledge. Nevertheless, the firm is facing an accumulated need for development as the 'critical point' of the firm has lasted over two years already. In other words, 'Start-up' discourse is so strong that the time flow resulting in the accumulation of the developmental needs is almost totally neglected.

To conclude, the interaction between the discourses is described in Figure 26. There is interaction between 'Balancing life' and 'Start-up' discourses because the work load and the lack of resources inhibit the needed balance. Also, there is a contradiction between 'Tacit knowledge' and 'Balancing life' as the transfer of tacit knowledge is hard but needed in order to balance the person's life. Moreover, the working in a start-up firm can be a source of the creation of tacit knowledge i.e. the working in a growing firm provides the employee with a wide and deep understanding of the functions of the firm. Also, the discourses 'Social competence' and 'Start-up' are interconnected as the social competence is needed in order to be able to work in a small start-up firm.

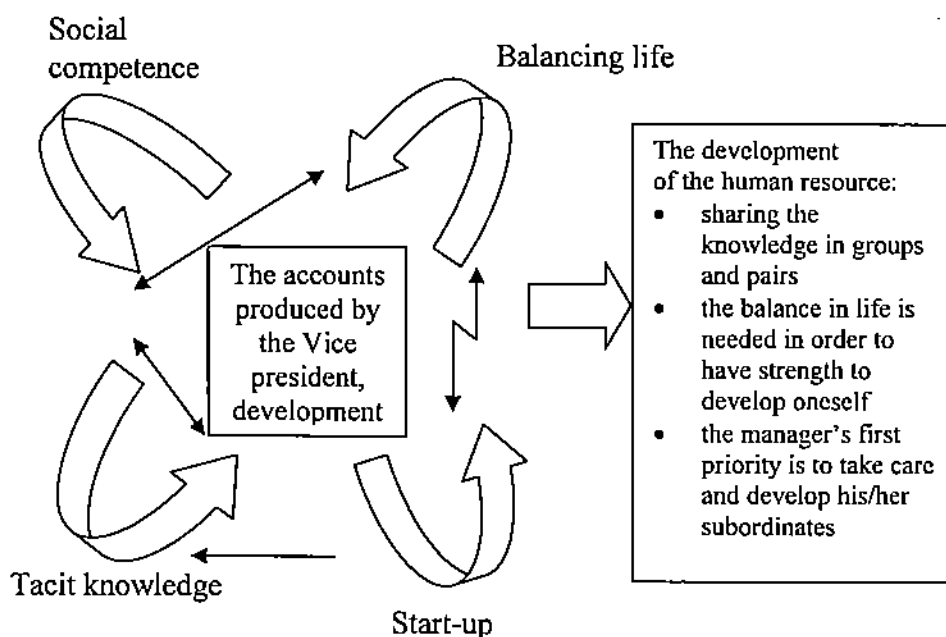


Figure 26. The interaction between the discourses produced by the Vice President (development).

4.3.4. Chief Architect

The Chief Architect is 25 years old and he has just graduated from a technical university after completing his master's thesis which was made for Firm B. In the organisation chart his work is located under the supervision of the Vice President (development). He does not have any subordinates and, thus, he works as an expert in the firm. He was identified to be one of the key employees because of his competence in system architecture and his experience gained in other software companies. Despite his age, he is hard to be replaced as well as hard to be imitated because of the combination of his highly specialised knowledge and working experience. The risk level is minimised by the agreement of prohibition on competition. The main feature during the thematic interview was that the interview setting was different in comparison with the other interviews. Thus, the interview could be seen

merely as a traditional question-answer interview rather than two colleagues discussing human resource development (as was the case in other interviews). In particular, during the theme 'the background of the key employee' the phenomenon can be seen clearly (see sample d.2.). In this interview the phenomenon can be explained by the short working career of the interviewee (one year in the firm and working experience which was gained during the studies) and by the fresh and new knowledge-base of the person (he has just graduated). Thus the topic 'human resource development' could be estimated not to be an actual issue for him (as he is not in a supervisory role in the firm either). Also, as we will see later, the problem solving is a natural as well as an essential way to learn on the job. Thus, the other forms of learning are all linked to this dominant way to operate. To conclude, during the thematic interview three discourses were produced by the key employee: (1) 'Continuous problem solving', (2) 'Self-activity' and (3) 'Discussions' (Figure 27).

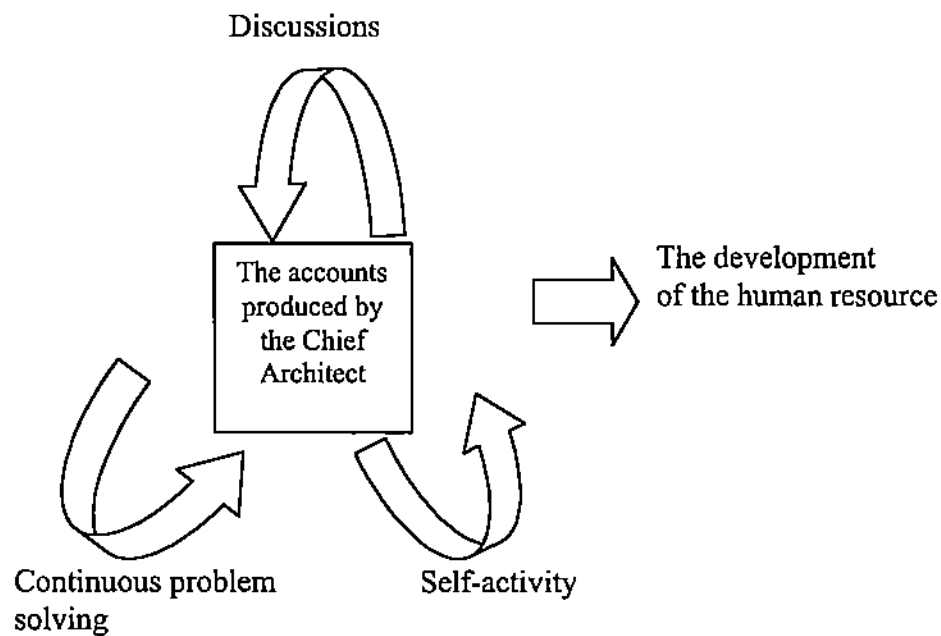


Figure 27. The discourses produced by the Chief Architect.

The dominant discourse was called '**Continuous problem solving**' (samples d.1.–d.4.). In this discourse, the daily work of the key employee is mainly linked to problem solving. The problem solving is essential because of the competitive environment: things have to be done fast (sample d.1. lines 1–2). The mathematical background of the key employee enables the fast problem solving, but, also, for example complex thinking. In sum, the process of problem solving consists of three stages: (1) discussions with others, (2) literature review and (3) experimental testing (sample d.3. lines 2–4). The identity of the key employee can be described as a '*modern researcher*' who is actively in interaction with the '*research community*' (in this case the team), analyses the previous knowledge and makes the final conclusion by proceeding with the empirical testing.

Sample d.1. *Discussion on the background of the key employee*

Researcher: *In your opinion what kind of skills do you have in regard to your work?*

1. uh (1) in my opinion I'm quite fast in problem solving especially because
2. we have to do things very fast. But, on the other hand, I can cover many
3. other competence fields, too.

Researcher: *You mentioned that the title of your work covers many other things, too?*

4. Well, yes, if we think only of our system then we actually have three
5. different stages and I can say that I understand something of all of them.

6. For the others it is much more difficult to change from one stage to
7. another if he has not done it previously. Surely, it can be done but of
8. course it will take a longer period of time.

Sample d.2. *Discussion on the background of the key employee*

Researcher: *How would you describe your competence for your current job?*

1. Well, the mathematical knowledge is something I have not had to use for
2. a long time.

Researcher: *But it was needed in the beginning?*

3. Yes, actually, it was dependent on our focus in those days. For example,
4. there were measurements to be made and so on.

Researcher: *Was it a conscious process to change the focus?*

5. Yes, it had to be done because we did not find a market which would have
6. been large enough. But, of course, mathematics is always useful. It is
7. useful in problem solving, architecture planning and it involves a kind
8. of complex thinking...

Sample d.3. *Discussion on the development of the key employee.* Transition (→) from the discourse 'Continuous problem solving' to the discourse 'Discussions'.

Researcher: *You said that you made your master's thesis here. How was it?*

1. Well, it was mainly mathematical, so, in that sense...

Researcher: *How do you use the knowledge nowadays let's say on problem solving?*

2. Well, of course → it starts by having discussions. → Then you have to
3. read or in some way obtain the information and then you have to
4. try an experimental problem solving.

Sample d.4. *Discussion on the background of the key employee*

Researcher: *And you have competitors world wide?*

1. Yes, and the problem solving has to be emphasised. I don't have
2. time just to sit and draw a picture. The continuous problem solving is
3. the common feature in our field.

The second discourse was called '**Self-activity**' (samples d.5.–d.6.). In this discourse the key employee is responsible for his self-development. For example training programmes or courses are chosen and participated in individually. The person has to keep his or her eyes open (sample d.5. line 2) and convey the interest to the manager (sample d.5. line 5) and after that the resources are available (sample d.6. line 2) because there are financial resources allocated in the budget (sample d.5. line 1). It is remarkable that already the knowledge that the development is possible is meaningful to the key employee (sample d.6. line 3). The identity of the key employee can be described as an '*active and highly*

motivated employee who needs his superior in order get the resources for the external training or development.

Sample d.5. *Discussion on the background of the key employee*

Researcher: *How does the firm invest in development in your opinion?*

1. Well, yes, we do have budgets and we have taken courses and such. If
2. there is a good course you just have to keep your eyes open and think
3. what do you want to do yourself.

Researcher: *Are these topics discussed in the firm?*

4. We have those personnel meetings every now and then and, of course,
5. I can go and say to my boss that...

Sample d.6. *Discussion on the role of the employees in the firm. Transition from the discourse 'Self-activity' to the discourse 'Discussion'*

Researcher: *How are the key employees encouraged to develop themselves?*

1. Well, yes, the meaning is to provide feedback when things are going well.
2. Also, if someone wants to do something the resources are found.
3. In a way, also, it is already the knowledge that there are possibilities. → I
4. believe, that if the problems are faced there will be those discussions. And
5. I think that the management team is a good forum (.) I have not been
6. there, so I'm not sure.

The third discourse was called '**Discussions**' (samples d.3.; d.7.–d.8). Actually, the discourse is closely connected with the discourse 'Continuous problems solving' (sample d.3. line 2). Moreover, as the discussion is closely connected with 'Problem solving', two stages can be explored. First, the topic is discussed with the superior on a common level (sample d.7. lines 1–3) and, second, the other experts in the team will be involved in the discussion (sample d.7. lines 1–2). Interestingly, the key employee uses a metaphor which is taken from football (sample d.7. line 3). The discussion is like *playing ball*: kicking it and in some seconds the ball (i.e. the topic) is received and, in that way, the ball playing goes on. As a result, all the knowledge which is inside the firm is connected to problem solving. In the firm, the 'ball playing' is one part of the daily activities of the key employee.

Sample d.7. *Discussion on the background of the key employee*

Researcher: *With whom do you discuss the matters?*

1. My boss is (.) it depends on the problem. Jukka [the name is changed] who
2. is sitting in the neighbouring room. My boss is usually in the beginning of the
3. process because you have to play the ball –kick and receive it.

Researcher: *How often do you have the "ball play"?*

4. Well, every day. If there are larger problems, then once or twice a week I
5. have to open some books.

Researcher: *It is interesting that you really 'play ball' so often.*

6. Yes, there are parallel processes daily...

Sample d.8. Discussion on the background of the key employee

Researcher: *In your opinion where do you find the newest knowledge for your work?*

1. Well, the newest knowledge can't be found by reading the books. It can be
2. found from the internet or from somewhere and, of course, we do discuss
3. a lot. Anyway, the books can provide us with some
4. deeper information.

In sum, the three discourses produced by the Chief Architect form a discursive 'world' in which the learning inside the firm is analogous to continuous problem solving (Figure 28).

Self-activity is needed in order to obtain training or development outside. Discussions are an integral part of the problem-solving process. Thus, the lack of resources is not the problem for the attendance of the training; rather, as the training is budgeted, the supervisors are able to make the decisions. However, the person has to actively by himself map the training and development possibilities.

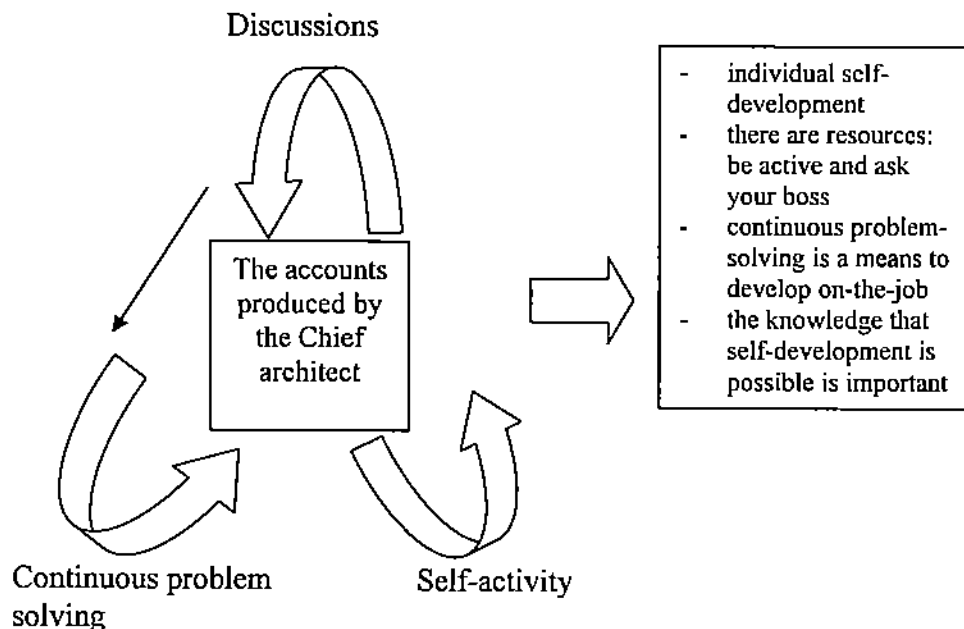


Figure 28. The interaction between the discourses produced by the Chief Architect.

4.3.5. Vice President, sales and marketing

The Vice President, sales and marketing, is 32 years old with a master's degree from a technological university. Moreover, he has just obtained an MBA qualification. He has gathered working experience as a researcher at the university and as a business consultant in the field of IT-technology. In Firm B he is responsible for the sales and marketing and as a vice president he works under the supervision of the managing director (CEO). In addition, he is one of the members of the management team. As a key employee he is analysed by the CEO to be valuable for the firm because of his wide network of customers as well as having close contacts with the customers. The replacement period is estimated to be about six months. As a member of the 'bundle' of key employees he is hard to be imitated. Also, there is an agreement of prohibition of competition made between the firm and the key employee. Now he has worked almost two years in the firm. During the thematic interview three discourses were produced by the key employee: (1) 'Professional workforce', (2) 'The work as such' and (3) 'Discussions inside and outside the firm' (Figure 29).

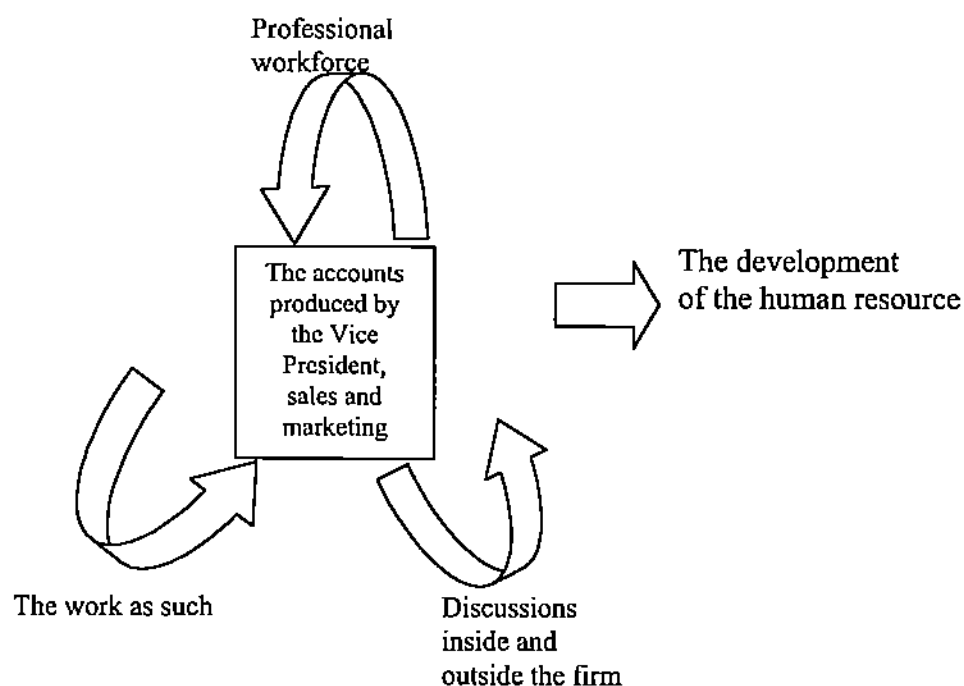


Figure 29. The discourses produced by the Vice President, sales and marketing.

The dominant discourse was called 'The work as such' (samples e.1.–e.5). In this discourse the identity of the key employee is constructed as 'a person motivated by the challenge of his work'. The key employee grows with his work as he has been provided with the possibility of creating a job description of his own without previous models (sample e.1. lines 1–3). A part of growing with the firm is the possibility of working with other members of the management team (see the transition of the discourses in sample e.1. line 7). The idea of a challenging job guides, also, the leadership role of the person: a principle is that the professional persons should be provided with interesting jobs (sample e.2. line 3). In addition, the possibility of working in a 'core' of the firm provides the possibility of growing with the firm (sample e.4. lines 1–2). In order to be able to work in a 'core', theoretical knowledge is needed but it is not sufficient and, therefore, the real way to learn is the practice of everyday business connected with discussions with other persons and customers. A challenge for the person who is motivated by demanding work is how to balance work, leisure time and family-life (sample e.5. lines 1–2). Consequently, the challenge is to keep those three apart from each other (sample e.5. lines 3–4).

Sample e.1. *Discussion on the background of the key employee. The transition (→) from discourse 'The work as such' to the discourse 'Discussions inside and outside the firm'*

Researcher: *How has the firm invested in your development?*

1. Well, yes, actually by providing me with the challenge of my work which
2. means the practical doing which is challenging as there aren't any
3. previous models. And the everyday business (.) business is a challenge
4. which is the best [way to learn] and as regards external training, we
5. don't have time for it. The leading of the operations of the firm together
6. with other members of the management team and the 'reparation' of the
7. firm is training as such → and the feedback from other members of the
8. management team as well as from customers due to trial and error.

Sample e.2. *Discussion on the development of personnel. The transition (→) from the discourse 'Professional workforce' to the discourse 'The work as such'*

Researcher: *What is the role of the personnel development in your firm?*

1. Let's say, the keeping of the real professional persons is a really important
2. factor → and the principle should be that the persons are motivated and
3. that they can work with the tasks that are interesting and in a way the
4. person thinks that he really can say that "I'm developing".

Sample e.3. *Discussion on the development of the key employee. The transition (→) from the discourse 'The work as such' to the discourse 'Discussions inside and outside the firm'.*

Researcher: *What is the best way for you to learn?*

1. Well, you have to have theories in the background but the practice is the
2. real way to learn and, well, the theories are left in the background. → But
3. we discuss a lot and compare with colleagues but let's say that very
4. limited time is left for the training courses.

Sample e.4. *The discussion on the development of the key employee*

Researcher: *Do you have any examples of how you have developed yourself?*

1. (2) well, uh, in a certain way my work as a whole is in the core of the firm
2. which is even stronger than earlier and, of course, I have been doing that
3. and in my opinion I have even been successful and it has worked well.

Sample e.5. *The discussion on the development of the key employee*

Researcher: *Do you have any hobbies which support your daily work?*

1. In that sense the problem is how to keep the work and family-life some
2. way in balance. My work, family and leisure time activities are quite close
3. to each other. I used to play and meet customers in my leisure time. Another
4. question is how to keep these apart.

The second discourse is called '**Professional workforce**' (samples e.2., e.6.–e.7.). As was seen this discourse is closely connected with the discourse 'The work as such' (sample e.2.): the keeping of the professional persons is linked to a possibility of providing them with an interesting job. Also, the construction of a professional workforce is challenging because the professionalism is built on a combination of flexibility and innovativeness together with a professional background (sample e.6. lines 4–5) as well as on working experience (sample e.7. lines 2–3). The professional workforce does not include only lay persons but rather a bundle of professionals working together, e.g. in the management team (sample e.7. lines 5–7). Interestingly, the bundle of professionals is tied together also in the time horizon: the persons have the same experience (e.g. they have grown with the firm) and they have developed the firm together (sample e.7. lines 7–11). The common historical background has provided tacit knowledge for the employees and that appears in fast decision-making and operations (sample e.7. lines 8–9). In sum, the identity of the key employee can be seen as a '*key employee in a bundle of professionals*'. In this sense, the

key employee needs a professional workforce in order to discuss and develop matters as we will see in the next discourse which is called 'Discussions inside and outside the firm'.

Sample e.6. *Discussion on the background of the key employee*

1. Well, it is hard to assess yourself but I have felt that the recruitment
2. of professionals has been challenging. Evaluating persons with the same
3. background and the same kind of history (.) but there could be persons
4. who have a certain combination of flexibility integrated into
5. innovativeness combined with a professional background. That kind of
6. combination is harder to find for an SME but in a larger firm it could
7. be easier...

Sample e.7. *Discussion on the role of the personnel in the firm*

Researcher: *I would like to raise the term 'core competence' to our discussion.*

1. Well, that has been a topic which we have discussed, too. And it is an
2. interesting question. It is true that in a small firm like this there is the
3. combination of experience and competence and in a way our firm is
4. quite young and the marketing knowledge combined with the
5. technological knowledge was different at the very beginning of the firm.
6. Now we have been able to focus more on the present segment of
7. customers and the management team works for the same focus and it can
8. decide and operate fast and it is also able to make things professionally as
9. there is the experience in the background. In this phase the
10. workforce is a combination of professionals who have made the same
11. kind of things and who have developed the technology
12. and that is the key in this phase.

The third discourse was called '**Discussions inside and outside the firm**' (samples e.1; e.3.; e.8.–e.11.). In this discourse the discussions and the feedback form an important entity of the key employee's work (e.g. sample e.9.). The discussions between the members of the 'core group' of key employees (sample e.10.) are a means to develop the firm. The same objective is targeted in the discussions with customers providing feedback (sample e.1. lines 7–8). The importance of the discussion regarding the development is emphasised by the fact that there is a lack of time inhibiting the training outside the firm (sample e.3. lines 2–4). A premise for the discussion is that the persons – both inside and outside the firm – have a common language, and thus, the previous training (in this case theoretical education in a university) is important (sample e.8.). Interestingly, the discussions and the wish for interactive methods in training courses are linked in sample e.8. in which the key employee mentions that the MBA programme should have been more interactive. The critical point in

this discourse is raised in sample e.11., in which the researcher asks whether the topic of discussions is the personnel development as such. This is the first time the key employee keeps pauses at the beginning of his answers (altogether 6 seconds). Actually, the direct answer is avoided by explaining which are the topics of the discussions (i.e. the business topics) and, also, by providing the interviewer with an excuse: if the firm would be in a more stable phase, they could discuss other matters, too, as well as they would have more time for training and development.

Sample e.8. Discussion on the background of the key employee

Researcher: *What kind of benefit did you gain through your studies?*

1. In a way the technical terms have been useful in discussions with persons
2. working in the same field and of course basic knowledge on
3. ~~internationalisation and the MBA were also useful but I would have~~
4. expected it to be more interactive, but anyway.

Sample e.9. Discussion on the background of the key employee

Researcher: *You are working close to your customers, aren't you?*

1. Yes, in a way I get their feedback which is useful to connect to the
2. operations of the firm and for the development of the firm, too.

Researcher: *You said that working is the best way to learn. Is that your way to obtain the newest knowledge needed in your work, too?*

3. I think that is a question of definition. How to define the newest
4. knowledge? Uh, in a way the internet is useful if I am interested in
5. knowing what is going on in the field and, every now and then, I will
6. benchmark our competitors but we have a very wide discussion network in
7. the field and once or twice a week we can combine the information in
8. order to grasp the developmental needs.

Sample e.10. Discussion on the development of the key employee

Research: *So, you mentioned that you discuss a lot here in the firm?*

1. There are four of us [VP, professional services; CFO, CTO and the
2. interviewee himself] I think this is it.

Sample e.11. Discussion on the development of personnel in Firm B

Researcher: *Is the development a topic of discussions, too?*

1. (4), uh, (2) on the firm level there are the chiefs discussing together about
2. issues, about what we have been able to do and so on. The technical side is
3. another question. If we were in a more stable phase then we would have
4. more time to do new things and more time for learning.

To conclude, the three discourses produced by the Vice President (sales and marketing) can be seen in close interaction (Figure 30). The discourses 'Professional workforce' and 'The work as such' are interconnected because the membership in the professional workforce is an integral part of the feeling that the work as such is a means to be motivated as well as a means to be developed. Nevertheless, the possibility of 'growing' with the firm, i.e. getting a more challenging job, is the ideal way to develop key employees in this discursive 'world'. Moreover, the professional workforce is needed because of the need for discussions and feedback. Also, the discourses 'Discussions inside and outside the firm' and 'The work as such' are interconnected. Thus, through discussions the key employee is able to obtain feedback which is needed for the development of the work.

An interesting notion was that the discussions regarding the personnel development were not included in the discourse 'Discussions inside and outside the firm'. As a result of this discursive 'world' the human resource development means mainly the opportunity to develop employees by providing them with challenging jobs and with the possibility of discussing with each other as well as with the customers and, actually, providing them with a possibility of working together with other professionals.

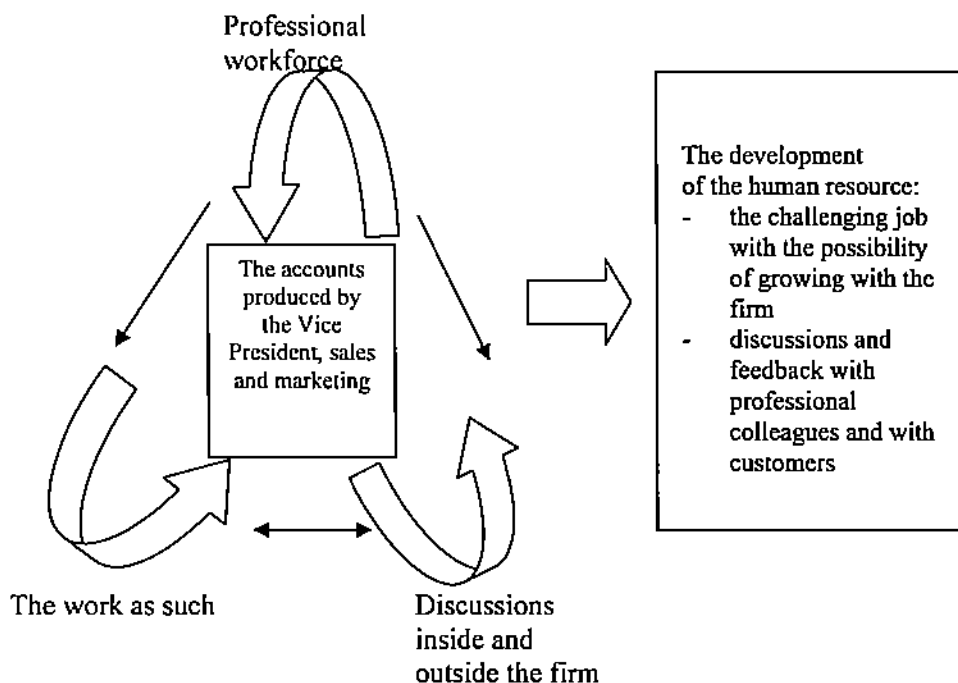


Figure 30. The interaction between the discourses produced by the Vice President, sales and marketing.

4.3.6. Vice President, professional Services

The Vice President (professional services) is 28 years old and he has graduated from a technical university in Finland but has studied in Great-Britain, too. He learned to know the CEO of Firm B as they were working in the same business consultancy company during past years. The CEO recruited him during the first year of Firm B. He was identified to be one of the key employees, first, because of his competence on consultancy, second, he is a member of the 'resource bundle' of key employees and, thus, the replacement would have effects on the whole organisation. Moreover, the personal risk is diminished by the agreement of prohibition on competition. The discourses produced by him are: (1) 'Learning by doing', (2) Ambition for wider responsibility, (3) 'Developing the firm' and (4) 'Networks' (Figure 31).

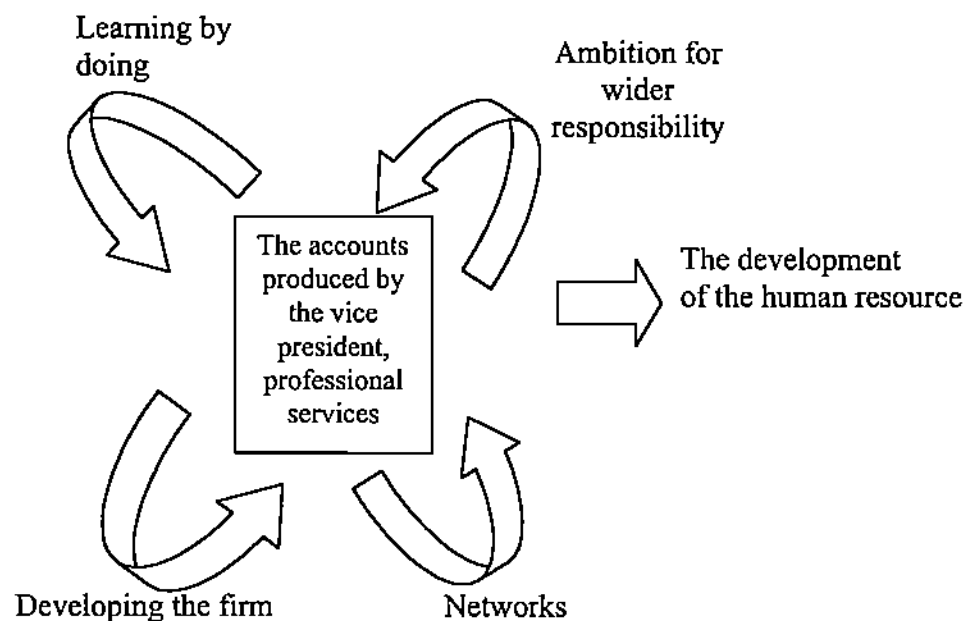


Figure 31. The discourses produced by the Vice President, professional services.

The first discourse is called 'Developing the firm' (samples f.1.–f.3.). In this discourse the growth of the firm and the clear vision for the future are the reasons for working in the firm (sample f.1.). In sample f.1., the key employee is definite about that and says: "it is certain that no one would take jobs like these [i.e. jobs without future challenges]". In this sense,

the growing with the firm is taken for granted by the key employee. Also, the meaning of the vision can be seen in sample f.1. (line 10) as the key employee talks partly at the same time as the researcher: he can not even wait to confirm the researcher's notion that the vision is the driving force for the growth. The importance of the possibility of starting and developing the firm is emphasised by the strong metaphors describing the founders and the first employees as '*parents*' who raise their '*child*' (sample f.3. lines 3–4). By constructing these metaphors the key employee assures the researcher that even though he gets proposals for other jobs he won't easily change the job [and thus leave the child].

Actually, in sample f.3., the key employee produces a strong base for the discourse as he in this long chapter justifies the factors which tie him to the firm. The lines 5–9 in sample f.3. form a 'heart warming' description of the creation of the base for shared experiences during the first years of the firm. This can be seen as analogous to the metaphor parents' experiences of their child's first steps. Thus, the researcher will be assured that the minor problems do not risk the commitment of the key employee. However, a flash of realism is produced at the end of sample f.3. Despite the shared experience, the commitment of the managing director is still important as is the possibility of earning some money in the future. Interestingly, in sample f.2., the key employee pragmatically says that there are certain steps which he has been committed to [referring to the agreement on restraint on competition]. As was noticed in sample f.2., the shared experiences can form a very strong – even emotional – commitment to the firm.

Sample f.1. *Discussion on the theme 'the role of the personnel in the firm'*

1. It has to be clearly kept in mind that okay this is my job today and it
2. will be changed. In that way the development and the growth of the firm
3. (.) well it is certain that no one would take jobs like these. Working
4. for ten years with a personnel of fifteen employees and trying to sell the
5. products to the few customers but rather the point is that we can
6. achieve something. There is the growth and the challenges and the
7. growing within the challenges. But of course there will be new needs
8. and then the training (.) and, thus, the support for the growth should
9. be arranged.

Researcher: *So, did I understand that the expectations on the future will help the personnel through [these days?*

10. yes, that's exactly the point] that you should have the visions in front of
11. your eyes and every one knows where we are driving...

Sample f.2. Discussion on the future of the firm

1. The vision is that our firm has internationalised directly as well as
2. having foreign partners. So, during the next two years the growing should
3. be rapid (.) Then if I think personally, there are those 'steps' to which
4. I have been committed. Due to the strategic decisions, in my opinion, the
5. strategic 'core' of the firm has a clear vision that okay we will be
6. committed to a certain step and then we will see what the situation is
7. and what will be the conclusions.

Sample f.3. Discussion on the future of the key employee

Researcher: *So you will probably get invitations to other jobs, too. Do you have any points of view regarding your current job: what is it that keeps you in the firm?*

1. Well, first of all is the kind of pure loyalty which means that you took
2. the job. Of course, it means that you had the possibility of coming along.
3. You have made your decision and come and then you get a "child". So,
4. you all start to do this together and you try to achieve something. Oh, it
5. sounds like a marriage [laugh]. You get a common base for experiences.
6. So, you have made errors together and you have survived even through the
7. most difficult times and you have got some deals after large problems
8. and so on. You have negotiated deals through long nights and you have
9. been able to put them forward. So, after those shared experiences you
10. won't leave after the first problem. But that is one thing. But then there is
11. the working atmosphere and that kind of commitment to others and that
12. kind of equality. For example, if our managing director would start
13. working for four hours a day these tasks wouldn't interest many of us
14. any more. So a kind of spirit is there. Some day we all think that we
15. could get some money, too. But today in this situation this is a
16. remote possibility...

The second discourse was called '**Learning by doing**' (sample f.4.–f.9.). In this discourse Firm B is seen as a 'learning environment' or 'a school' (samples f.4. line 6; sample f.5. line 2 and lines 5–6) in which there is the possibility of doing things in reality and in a concrete way (sample f.4. line 4). The working in the firm is compared to a practical "MBA course" (sample f.4. line 8) or a 'potter' putting his hands into to 'clay' in order to create new pottery (sample f.8. lines 4–5). Thus, the work provides the key employee with a possibility of seeing his own efforts as either good or bad (sample f.4. lines 4–5). Thus, the concrete work is a main element in creating possibilities of learning on the job. Consequently, the job should be challenging and it should provide the employee with the opportunities to learn new things. Thus, the employee learns to see his job from a wider

perspective and, actually, is ready to work e.g. in routines or in other not so appealing tasks that are present in a small firm.

Moreover, in order to learn on the job, also, the possibility of working with other professionals is needed (sample f.9.). As we have seen in sample f.4., this discourse is closely connected with the next discourse, 'Ambition for wider responsibility', and this will be discussed in the next chapter. Interestingly, in this discourse the persons who come to work in a small start-up firm are seen to be different from the persons working in large companies (sample f.5. lines 9–11). However, the idea that all are motivated only by learning on the job is questioned in sample f.5. (line 8), and thus other development activities are needed, too. In sum, the identity of the key employee could be called '*artisan*', whose work is very concrete and the results of the work can be visually seen.

Sample f.4. *Discussion on the role of HRD in the firm.* The transition (→) from the discourse 'Ambition for wider responsibility' to the discourse 'Learning by doing'

Researcher: *How has your firm invested in your development?*

1. May be it is so (.) well (.) perhaps the largest part of the development is that
2. you have the possibility of influencing matters and seeing things
3. from a wider perspective. → But it is often in a small start-up firm like
4. this that a great appeal lies on the fact that you can really do things and that
5. your own effort can be seen in the result (.) good or bad.

Researcher: *hmm*

6. and in a way the firm provides you with an environment in which you
7. learn in a concrete way. Quite many of us use a metaphor that the work
8. here is an MBA in reality [laughing] and you can do things in reality as
9. others are writing papers. In that way this is a very
10. positive environment.

Sample f.5. *Discussion on the role of HRD in the firm.*

1. So the firm does not invest in training but in my opinion that is not needed
2. because the firm is a kind of 'school' in itself and in this respect the
3. compensations are good in comparison with other firms in the field.
4. So I don't have to complain (1) and let's say that (.) in my opinion the
5. firm is investing enough in the development because this is a learning
6. environment which is built on the operations and persons (.) and I don't
7. long for anything else and that is okay for me but if this is seen on a wider
8. scale there are certain persons that aren't satisfied. But that doesn't change
9. the principle because the persons who come to work in firms or
10. projects like this, they do have different values than those who work in
11. traditional firms.

Sample f.6. *Discussion on the role of HRD in the firm.*

1. Of course, the development is meaningful for the firm because there is a
2. small group of people trying to achieve fine things. And of course you
3. should be motivated and whether you (.) do not get training or such (.) in a
4. way (.) in a way at work you should have that kind of challenges and new
5. learning opportunities so that the motivation will remain high enough and I
6. would see this in a wider perspective, too. And the others should think in
7. the same way and be ready to do tasks such as routines and other tasks ...

Sample f.7. *Discussion on the future of the firm*

1. So, this is more like working on a project and as I came here I thought that
2. this would be a project lasting from half a year to three years and
3. in those times we had the funding for a year and a half ...

Sample f.8. *Discussion on the development of the key employee*

1. Then I would say that I respect my working history much more than
2. my training background. So the working history has been a means to
3. learn a lot.

Researcher: *So you would emphasise that?*

4. Yes and first of all (.) how could I say it? You have been forced to put
5. your hands into the "clay". And you have understood that you should be
6. quite compliant (.) compliant and you should not assume that if you are just
7. graduated and start to work (.) that doesn't help a lot.

Sample f.9. *Discussion on the development of the key employee*

Researcher: *In what ways do you learn most effectively?*

1. You learn by doing (.) so by doing things concretely. And of course
2. if you are surrounded by professional people, that helps you a lot.

The third discourse is called '**Ambition for wider responsibility**' (sample f.4., f.10–f.15). In this discourse the top management (managing director as well as the board of managers) is in an important role. First, the top managers should respect the key employee's work (sample f.10. line 2) and, secondly, by showing the trust, they should provide the key employee with wider responsibilities and possibilities of influencing the work of the key employee (sample f.11. lines 1–2). Also, the possibility of being near the '*most sacred*' (i.e. the managing director and the board of directors) is of importance (sample f.12. line 4). Also, the strategic 'core' can be found in the firm meaning persons who are trusted by the owners and who, thus, are able to influence the strategies of the firm (sample f.12. lines 1–2).

Consequently, the ambition and the target of the growth of the firm 'meet' each other clearly in sample f.15., in which the key employee highlights the importance that the growth should take place below him – not above. Thus, the ambition is satisfied with the match between the desire to widen the content of the work and the phase of growth of the firm (sample f.11. lines 4–5). In this discourse, the necessary conditions for the development are created by listening to the employees before the final decision-making as well as by delegating more responsibility to them (sample f.10. lines 3-4). However, the necessary conditions are not enough. As a sufficient condition the top management should trust the employees (sample f.11. line 3). In all, the identity of the key employee in this discourse could be called '*young lion*' looking for more challenging working opportunities in the firm.

Sample f.10. *Discussion on the development of the key employee*

1. There is also the possibility influencing here in the firm and also the
2. respect in a way that the top management respects your work and that
3. your points of view will be taken into consideration before
4. decision-making, and those are the issues which enables
5. the development.

Sample f.11. *Discussion on the development of the key employee*

Researcher: *So, you said that you have been able to influence the decision-making in the firm?*

1. Yes, my tasks have been changed and the responsibility has been widened
2. and thus I have been able to show what I can and of course the top
3. management trusts me. How would I say (2) I have not been able to
4. influence very much the firm as a whole. Merely, my desires on the
5. content of my work and the situation of the firms have matched
6. all the time and that has been the key to influence.

Sample f.12. *Discussion on the role of the personnel in the firm*

Researcher: *Have you been able to influence the strategies of the firm?*

1. In my opinion there is a group of persons who are trusted by the owners
2. and they think and plan the suggestions which are presented to the board.
3. It has of great importance for me to have the possibility of influencing how
4. would I say the "most sacred forum" [laughing] and, uh, it is
5. something which enriches your work.

Sample f.13. *Discussion on the role of the personnel in the firm*

1. I think that some persons think that they don't have possibilities of
2. influencing. So, that is one thing which should be improved and the other
3. one is that there are issues which should be known by all employees.

Sample f.14. *Discussion on the background of the key employee*

Researcher: *So you have been involved in sports. Has it been beneficial to your work?*

1. So, there are those things that you have been used to doing ambitiously
2. and of course the ambition has reflected on my work. However, I wouldn't
3. say that I would have a high desire to compete and show how competent
4. you are. But in some sense you want to do your work properly and you
5. want to achieve the targets. Yes it comes through those issues. And those
6. are issues which are involved in sports.

Sample f.15. *Discussion on the future of the firm*

1. So, in that sense, the idea is that if the firm grows then you should keep
2. in your mind that the growth is occurring below you, not above.

The fourth discourse is called '**Networks**' (samples f.16.–f.19). In this discourse the networks are seen as a dynamic means to survive in new environments (sample f.17 lines 3–4: e.g. studies abroad), a means to obtain the newest information (sample f.16. lines 4–6: the personnel networks) and means to do cost-effective business (sample f.18. lines 7–8). The key employee is an active developer of networks in different phases of his life and career. As a student the networks were created as he was studying abroad as well as at his home university. Actually, the networks are seen as the best benefit of the university studies. In addition, the key employee has created a network of friends which is seen as an additional resource for the newest information. In business life different networks (e.g. financiers) are useful for the solving of actual business issues (e.g. internationalisation, obtaining new customers etc.). The active networking is also a part of the leisure time hobbies: these contacts have been beneficial in the business, too. Thus, the identity of the key employee is constructed as an "*active network developer*".

Sample f.16. *Discussion on the development of the key employee*

Researcher: *How do you get the newest information needed in your work?*

1. Well, let's say (.) that inside the firm it means, of course, that we put
2. our heads' together and try to find wise solutions and of course we
3. benchmark the market and read different researches and of course

4. we have our personal channels such as a network of friends and
5. expand it to cover other contacts, and other persons in the firm have
6. their networks which are used to obtain that information. Yes, these are
7. the components and of course we learn by mistakes or try to learn.

Sample f.17. *Discussion on the development of the key employee*

1. I don't know how beneficial today are the theoretical studies which were
2. done at the university but the most useful has been the network and
3. the studies abroad in which I learned to 'survive' in a different
4. environment in which I created the network, too.

Sample f.18. *Discussion on the development of the key employee*

1. Of course, the forming of a contact network has been a big issue for me.
- Researcher: *Yes, the networking sounds interesting. In what ways have the networks been valuable to you?*
2. Well, let's say for example those financing contacts in those days when the
 3. financing was topical. Then of course the opening of the customer's doors.
 4. It really helps you if you know whom to contact and that can be crucial
 5. for the business. So there are those two things. And there are other
 6. operations, too. For example on internationalisation you'll know how to
 7. do it and what should be avoided. For example partners and dealers. So, it
 8. [i.e. networking] can save a lot of money as it can provide you with
 9. cash flow.

Sample f.19. *Discussion on the development of the key employee – hobbies and leisure time*

1. I am a 'balance man' so you have to have some counterweight. It really is so
2. for me. And sometimes quite a lot of contacts are made during the
3. leisure time and those can be useful in working life, too.

To conclude this chapter, the interaction between the discourses 'Developing the firm', 'Networks', 'Learning by doing' and 'Ambition for wider responsibility' will be discussed (Figure 32). The discourse 'Developing the firm' is the dominant one having interaction between all the other discourses. First, the networks are needed in order to make the firm grow. Thus, the right contacts e.g. to financiers can be built by using the networks. Also, working in the growing firm can be seen as a source of creating personal networks (e.g. customers, business partners etc.). Secondly, working in the growing firm provides a learning environment and, thus, a means to learn by doing. Thirdly, the growing firm provides challenging working opportunities for the ambitious 'young lions' as far as the top managers trust the employees in order to be willing to provide the key employee with challenging jobs.

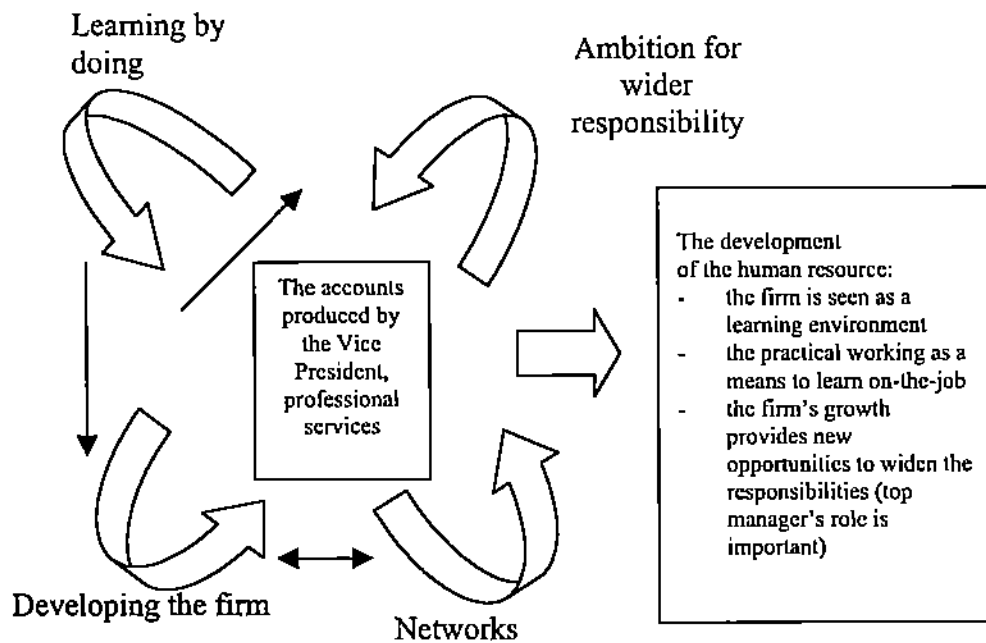


Figure 32. The interaction between the discourses produced by the Vice President, professional services.

In sum, the human resource development in this discursive 'world' is based on the assumption that the learning by doing is the main means to develop the personnel. The persons are individually responsible for their development on-the-job, but that is supported by the top management by providing the ambitious persons with challenging working opportunities. Also, an effective means to gather the newest knowledge outside the firm is the use of multilevel networks (friends, business partners, customers etc.). All in all, the firm is regarded as a learning environment as such and, thus, the formal or other kind of training is not seen as a main means for the development.

4.3.7. Chief Technical Officer (CTO)

The Chief Technical Officer (CTO) is the second founder of the firm (the other one was the CEO). He is responsible for the technical support including the product development processes. His work requires close co-operation with the product development team as well as with the customers. Moreover, the quality of the product is his responsibility. He reports

directly to the managing director (CEO). He is 32 years old and graduated from a technical university five years ago. He has about ten years' working and studying experience both in Finland and abroad. As one of the key employees he is identified as having broad experience as well as theoretical knowledge of technical telecommunications and, thus, he is also hard to be replaced. Moreover, he is identified as having a lot of firm-specific knowledge and, thus, his work is hard to be imitated. As a founding partner of the firm he is seen to be committed to the firm and, thus, the risk of replacement is seen to be diminished. During the thematic interview, the key employee produced four discourses: (1) 'Responsibility', (2) 'Quality assurance', (3) 'Managing product development' and (4) 'Feedback' (Figure 33).

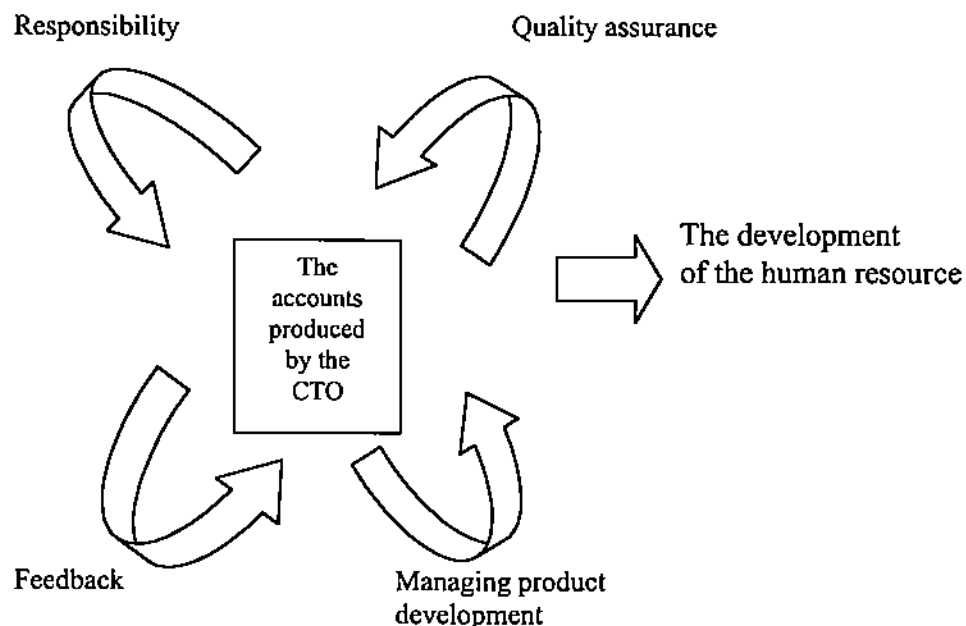


Figure 33. The discourses produced by the Chief Technical Officer.

The first discourse is called '**Responsibility**' (samples g.1.–g.4. and g.7.). In this discourse the key employee identifies himself as a '*person highly devoted to his job*'. The discourse is filled with words like 'be responsible for' and 'responsibility'. According to this discourse, the position of the person does not make him/her to be a key employee but rather the fact that the person is willing to be responsible for his or her job (sample g.1. lines 3–4). Thus, for example the key employee regards himself more as a founder than as a chief technical officer. In this sense, he has been willing to have a wide range of responsibilities in his job (sample g.1. lines 5–11). The discourse covers the development of the key employee, too.

In this sense, the question 'how has the firm invested in your development' is regarded as an absurd question because the person himself is the only one who is responsible for his development (sample g.2. lines 6–7). This view is emphasised in sample g.4. in which he states 'I believe that all persons are responsible for their own lives'. The personal responsibility for the development is rationalised by the logical reasoning: first, you have accepted the job offered by the firm, second, you are willing to do your job as well as possible, then, thirdly, you should develop yourself in order to be able to do the work as well as possible (sample g.4. lines. 6–9). Thus, the task which should be done in the firm is to define what is meant by 'good'. Moreover, the persons who have grown with the firm are able to be kept in the firm by providing them with more responsibility as the firm grows and as more employees will be recruited (sample g.3.).

Sample g.1. *Discussion on the background of the key employee*

Researcher: *You mentioned that you are one of the founders of the firm. What kind of role do you have in this firm?*

1. Well, a key employee is responsible for those tasks which are hard to be
2. transferred in a short period of time to other employees inside the firm or
3. outside the firm. But the key employee should concretely be responsible
4. and it should be seen...

Researcher: *Okay, and if we look at your job, how would you define your main competences?*

5. Well, the main competence is, uh, that I have the holistic responsibility
6. and I am able to set clear targets from the firm's point of view. I
7. regard myself more as a founder not as a holder of any position. If
8. someone would be hired to my position he wouldn't take this so seriously
9. and would focus more on the main tasks. But as we don't have so many
10. employees you are forced to be responsible for the kind of tasks for which
11. no one has any previous experience.

Sample g.2. *Discussion on the development of the key employee. The transition (→) from discourse 'Responsibility' to the discourse 'Quality assurance'.*

Researcher: *So. How has the firm invested in your development?*

1. Actually, I don't have any active 'firm' in my mind. Thus, in my opinion
2. the question is absurd. So how this house has invested? If I think from my
3. point of view there are my subordinates, the software 'gang', and
4. management team and the board. Then there is our CEO with whom I
5. work. And perhaps the most important question is what I myself have
6. done for my development. And I am certain that this question is connected
7. with the question of responsibility. I have never said no to any tasks in
8. the firm. I have done all the tasks in time and, thus, the

9. the persons who are willing to take responsibility differ from the others. →
10. and these persons try to find the suitable indicators and they evaluate
11. whether the quality is good or bad, and they aim to improve the quality.

Sample g.3. *Discussion on the future of Firm B*

Researcher: *Let's assume that two years have passed. What kind of team do you have then?*

1. I would say that I have about thirty subordinates. Some more persons
2. in development and more employees working on the support. I believe
3. that there will be some tension between the two groups because of the
4. different ways of operation.

Researcher: *How about the persons who have worked since the 'pioneering' period of start-up?*

5. Well, I have seen some successful processes. You have to be willing to
6. provide them with more responsibility (.) more than you otherwise would
7. give. But you should not forget the others either...

Sample g.4. *Discussion on the future of Firm B. Transition (→) from the discourse 'Responsibility' to the discourse 'Quality assurance'*

1. I believe that all persons are responsible for their own lives and the ability
2. to be responsible is not an easy task to give for any one. The main question is:
3. what does your work mean to you and what kind of responsibilities are
4. involved in your position? Also, there is the personal integration into the
5. responsibilities. That is the base (.) that you are yourself responsible for
6. your own development because → you have accepted to do your work as
7. well as possible and that must have been a topic of the discussions
8. of the definition of what that 'as well as possible' actually
9. means and in what kind of tasks you should succeed and one important
10. thing is that there are those values..

[later...]

11. I believe that one of the central values is the responsibility → and of
12. course you have to be sure if you promise that something is on your
13. responsibility that really has to be.

The second discourse is called '**Managing product development**' (g.5.–g.8.). This discourse arises from the work of the key employee. The product development is seen as a separate and distinctive part of the firm, which is characteristic of the management of the team, too. The key employee uses the metaphor '*to educate the cats*' in order to emphasise the difficulty to manage the individual experts in his team. There are also other strong metaphors used in the discourse. First, there is a continuous '*cross fire*' between the expectations of customers as well as the top management (sample g.6. line 1). Second, the

work of the product development is compared to the work of an *artist painting pictures with oil colours* (sample g.6. line 5).

In addition, the employees are motivated by the work as such, not by the expectations of the customers or top managers willing to speed up the product development processes. Thus, the '*professional pride*' is an integral part of the work (sample g.7. line 8). Interestingly, the understanding that working life is not always fair has helped him to adapt to the continuous '*cross fire*' (sample g.7. lines 1–4). In this discourse the key employee identifies himself as a '*professional*' who clearly understands the unique nature of the product development and, thus, is motivated by the work as such. What is remarkable, the development of the personnel or the key employee himself is not present in this discourse. The development is focused on the development of the product – not on the development of the human resource.

Sample g.5. Discussion on the background of the key employee

1. Some persons compare the management of the product development unit
2. to be like tending or educating cats. Actually, there are a number of
3. different processes. Some good guys prefer the kind of ways to work in
4. which their whole potential will not be used. And of course, a lot has to be
5. done from which we don't know whether we are going to succeed or not.

Sample g.6. Discussion on the background of the key employee

1. The product development is always in a '*cross fire*' in a firm. If the
2. product would be ready everything would be easier. From our point of view
3. the product has to be given to the customers always too early as we have
4. not been able to test it as long as we wanted. And often the product
5. developers have ambitions to revise it. They are a sort of artists painting
6. with oil colours. Even though the picture is ready they are keen to
7. continue as it is just that point at which the artist understands what kind of
8. picture he actually wants

Researcher: *So the developers are interested in developing the product continuously?*

9. Yes, some of them are really interested in their work and they want to do it
10. as well as possible. It is exciting that most of them think that the product
11. is good because the developers think so. Only quite a few developers are
12. interested in the customer's point of view. The motivation is in the work itself.

Sample g.7. Discussion on the topic how beneficial the previous studies have been for the key employee. Transition from the discourse '*Managing product development*' to the discourse '*Responsibility*'

1. As a student for the master's degree in technological science you have to
2. do the given tasks, otherwise you wouldn't have been able to graduate

3. unless all the courses were done by following the given assignments. It has
4. helped a lot in the real world in which the 'assignments' are not always fair.
5. For example, the demanded level of the quality is too high. In those
6. situations you can't say "This is not fair" but you have to do it. I would
7. say that this has absolutely been the number one.

Researcher: *So, the basic principles have been useful?*

8. → I would use the kind of term 'professional pride' which means, in my
9. opinion, in different occupations what is good and what is bad, what is
10. important and what is not so important. This is very different in
11. different occupations. A strong professional pride
12. defines the principles for the work which have not been broken
13. during the working hours. These are the norms which always have
14. to be followed.

The third discourse is called '**Quality assurance**' (samples g.2., g.4., g.8., g.11., g.14). First, in this discourse the quality is closely linked to the values (samples g.4. lines 6-11; g.11. lines 11-13 and g.13.). The values answer to the question 'why are we doing this?' (sample g.11. lines 11-13) and, also emphasise that responsibility is a value itself (sample g.4. lines 6-11). Thus, the shared values ensure the quality of the product. Secondly, the quality is linked to the risk management, too. In order to minimize the risk, continuous measurements are needed in order to verify the quality of the product development processes (sample g.8. lines 5-7). Thirdly, the quality assurance is in an integral part of the key employees: they try to find suitable indicators and to evaluate whether the quality is good or bad in order to improve their work (sample g.2. lines 9-11). In this discourse the key employee identifies himself as a '*quality controller*' who is not only controlling and making measures but creating shared values for the base of the high quality products, too.

Sample g.8. *Discussion on the background of the key employee. The transition (→) from the discourse 'Managing product development' to the discourse 'Quality assurance'.*

1. Many developers are aiming at that kind of working in which the risk
2. management is not taken into account. They would like to get their tasks
3. at the beginning of the year and, then, at the end of the year they would
4. give you the finalised product. This would be an effective way to produce
5. software. → However, the risks would be enormous. We have developed
6. our processes in order to minimise the risks and quite often we get results
7. of measurement and then we can evaluate where we are.

[a short discussion on the practical issues regarding measurement]

Researcher: *So your job includes the management of processes?*

8. Actually, I don't like the term which makes the organisation seem
9. boring. From our point of view it is more like risk management.

The fourth discourse is called 'Feedback' (sample g.9.–g.14.). In this discourse the feedback is seen as a multilateral phenomenon. First, the bilateral – and even strong and fierce – feedback is exchanged together with the closest colleagues (sample g.9. lines 2–5 and sample g.11. lines 2–4) and with one of the closest subordinates (g.11. lines 6–7). Secondly, there is the feedback given to the subordinates, which is in fact given in a form of value discussions (sample g.11. lines 8–9) or as a direct feedback described as a 'pat on the back' (sample g.11. line 14). Interestingly, the key employee changes his tone in line 5 in sample g.11. as he wants to assure the researcher that the feedback really is direct and neither 'sordinos' nor 'Swedish discussions'³⁰ will be used. Thus, the change of the tone and the use of metaphors can be seen as a means to make a sharp distinction between the 'value discussions' and other organisational discussions. Therefore, the value discussions are included as a part of the whole 'picture' of feedback. Hence, the value discussions are a means to direct the subordinates to work in the right direction (sample g.11. lines 10–11). In this sense, the value discussion can be seen as a means to develop the subordinates' ability to self-evaluate their work and, thus, to make the conclusions regarding their development (sample g.13.).

Finally, the feedback is asked from the customers in order to get the newest information regarding the products. In sum, in this discourse the multi-level feedback is a source of the self-development of the employees and, thus, the feedback is a tool to focus the firm on the strategically right direction, develop the quality of the product and to receive the newest information. In this discourse the key employee identifies himself as a 'messenger' who actively receives and gives feedback in his organisation and actively uses different forms of feedback from direct and fierce critics to the discussion of values.

Sample g.9. *Discussion on the development of the key employee*

Researcher: *Did I understand correctly that you think that the development is achieved on-the-job?*

1. Absolutely.

Researcher: *with other people...*

³⁰ the Swedish discussions refer to the Swedish business culture emphasising the importance of discussions in order to reach the decisions.

2. There is in fact (.) that (.) with our CEO we do our work by using a 'short
3. formula'. For my development, and I think that to our CEO too, it has
4. been beneficial. I have the kind of opinion on the analyses that I don't
5. have that kind of approach but rather we direct even fierce criticism to
6. each other, too. Very direct feedback. And I think that
7. it helps you a lot as usually you become blind to what you have been
8. doing and the other one notices directly that this won't work...

Sample g.10. *Discussion on the background of the key employee*

1. There are quite a few issues on which I can give my opinion. It is
2. meaningful for me that we are able to work in the way I feel right.

Sample g.11. *Discussion on the background of the key employee. Transition (→) from the discourse 'Feedback' to the discourse 'Quality assurance' and back to 'Feedback'*

1. Actually, we have two separate groups of people. Some are more like
2. workers and the others are persons who are responsible for some entities
3. for which I expect to get even fierce comments, too. In that group you
4. don't like to work by using 'sordinos' and by having *fruitful*
5. *Swedish discussions* [ironic tone].

Researcher: *hmmm*

6. but with my own subordinates I have two different categories. I have Eki³¹
7. [Vice President, development] who surely gets even the strongest
8. feedback and with the others we have (.) I would call them value
9. discussions. Of course, all know what should be done and what is the most
10. important thing. If we would have unlimited time resources, all employees
11. would work in the right way. → But we have to have shared values
12. regarding a product of high quality. The question is, why are we
13. doing the work in this way? → Another important thing for the
14. developers is that you *give them a pat on their back* when things are going well.
15. But the feedback has to be clear, there shouldn't be anything which is
16. unclear. Thus the development is not only a good thing but rather
17. it is essential.

Sample g.12. *Discussion on the development of the key employee*

Researcher: *If we return to the theme regarding your development. You said that the learning on the job is the best way to develop. Then, how do you gain the newest information or knowledge of your job?*

1. I strongly believe that the most essential source of information is the
2. customer. That you take the risk and ask the customer what is good in the
3. product and what should be done in order to develop the product.

³¹ the forename of the Vice president (development) is changed.

Sample g.13. *Discussion on the development of the key employee*

1. In the management team it is more like a discussion of the values. You have
2. to share your values with the others and you should get the others to
3. understand your values and the development is not possible if you don't
4. understand that your work is not according to the values and
5. then you should do something...

Sample g.14. *The interviewee's last phrases during the discussion. [The key employee wanted to repeat some of the themes which were covered earlier]. The transition from the discourse 'Feedback' to the discourse 'Quality assurance'*

1. There are the kind of continuous discussions of values. → I believe that the
2. relative value is the most important thing. But the difficulty lies there, too.
3. The discovery of the relative value is dependent on huge amounts of
4. discussions unless you can make the other person understand
5. what is the good quality.

In sum, the discursive 'world' produced by the Chief Technical Officer is described in Figure 34. The work itself (the chief of the product development team) can clearly be seen having affected the discourses, e.g. one of the discourses is called 'Managing product development'. Also, the discursive world can be seen to be quite rational even though the special nature of the product development produces some contradictions in the picture, too. First, a direct link between the discourses 'Feedback' and 'Managing product development' can be seen. The feedback – (1) the fierce one of the close colleagues, (2) the value discussions with the subordinates and (3) the customers' feedback – is needed in order to develop the product. However, there is a contradiction between these discourses, too. As the product developers would rather use the feedback from their colleagues and not from the customers, there is a challenge for the key employee to act as a messenger from customers to the product developers.

Moreover, there is a contradiction between the discourses 'Managing product development' and 'Quality assurance' as the product developers would rather develop the product without continuous quality measurements and evaluation during the process. Despite these contradictions, there is some interaction between the discourses, too. First, the key employee needs multilevel feedback in order to manage the product development processes in the firm (the arrow from 'Feedback' to 'Managing product development' in Figure 34). Similarly, the shared values are needed in order to define the high quality of the product

(the arrow from 'Feedback' and 'Quality assurance' in Figure 34). Second, the quality measurements are needed in order to receive feedback from the processes (the arrow from 'Quality assurance' to 'Feedback' in Figure 34). In sum, the human resource development consists of the self-development and on-the-job development. The responsibility of the development is on the person himself as there is the logical chain for the development: (1) you have accepted your work as you have come to the firm and you are motivated by the work as such, (2) you want to do your work as well as possible and (3) in order to do the work as well as possible you are yourself responsible for your development.

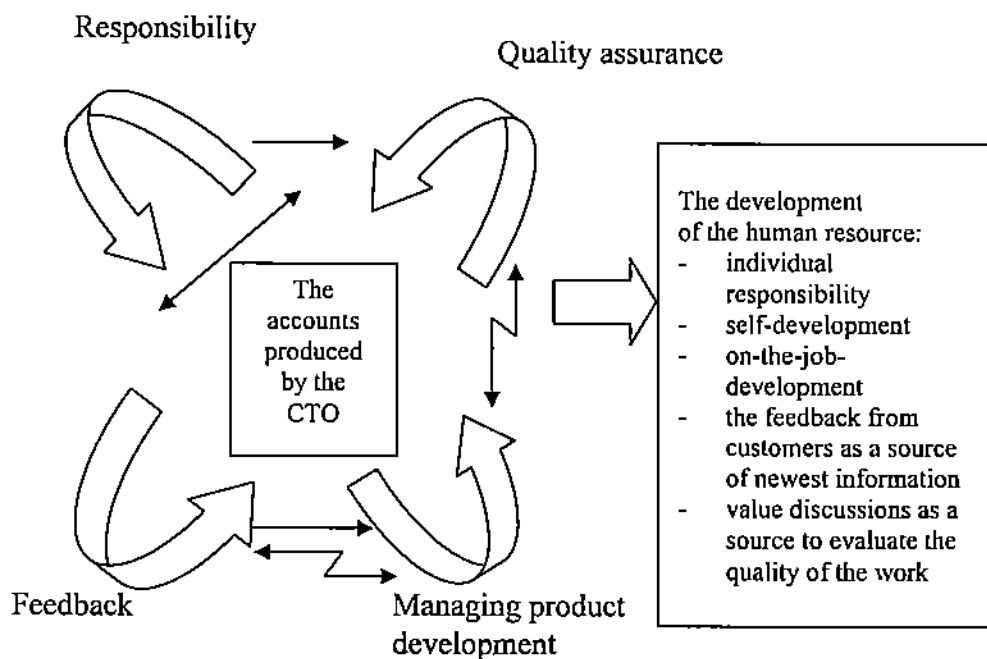


Figure 34. The interaction between the discourses produced by the Chief Technical Officer.

4.3.8. Conclusions Regarding the Key Employees' Discourses in Firm B

In Table 13 the discourses and the main features as well as the human resource development in those 'discursive worlds' in Firm B are described. Totally 26 discourses with their corresponding identities (see Table 15) were named during the analysis process constructing seven 'discursive worlds'. In this chapter these constructions are analysed both

on individual and on organisational levels. Similarly, the discourses will be analysed using the analytical levels presented by Alvesson et al. (2000b) and Lämsä (2003): micro-, meso-, Grand- and mega-discourses. Finally, the consequences for human resource development in Firm B will be discussed.

Table 13. The discourses produced by the key employees in Firm B.

Key Employee	The name of the discourse	The main features of the discourse	The interpreted reality
Chief Financial Officer	Future	today's less challenging work is tolerated by the strong vision of future growth	<ul style="list-style-type: none"> learning by experience
	Experience	the CFO has gathered her competence in previous working places – now she has taken the role of a mentor	<ul style="list-style-type: none"> learning through networking by changing knowledge and experience
	Small firm	it is taken for granted that the persons in small firms are not as competent as their counterparts in larger firms	<ul style="list-style-type: none"> the CF sees herself as a completed resource which does not have to be developed
	Network	the personal network is a means to share knowledge and experience	
Owner-Manager (CEO)	Learning philosophy	thinking and reflecting on everything which is done (analyse->do->action->reflection)	<ul style="list-style-type: none"> learning by doing (analyse->do->reflect)
	Start-up	the fast tempo of the firm forces it to buy new knowledge from outside; as such a start-up is a learning experience	<ul style="list-style-type: none"> newest skills have to be recruited due to the fast tempo
	Leadership dilemma	the understanding that each subordinate is individual and thus the motivation to develop differs accordingly	<ul style="list-style-type: none"> the leader should understand that the others are not motivated to learn and developed from the same sources
	Shared learning	creation of the opportunities for the personnel to share the learning experiences (teach others and learn)	
Vice President, Development	Social Competence	good social skills needed in order to be able to work in a small firm and to develop a personal network	<ul style="list-style-type: none"> sharing the knowledge in groups and pairs
	Balancing Life	everyone in a firm needs a superior to take care and thus the balance of life (work, family, leisure time) could be achieved. The tiredness is the inhibitor of all development	<ul style="list-style-type: none"> balance in life is needed in order to have strength to develop oneself
	Tacit Knowledge	tacit knowledge (TK) is achieved by working since the start-up of the firm. A wide and holistic view of the firm is achieved. The transfer of TK is essential	<ul style="list-style-type: none"> the manager's first priority is to take care and develop his/her subordinates
	Start-Up	the start-up phase is critical for the firm and thus he sacrifices his own development in order to provide the subordinates with possibilities to develop	

Chief Architect	Discussions	To discuss is like playing football: kicking and receiving the ball and thus solving the problems with others.	<ul style="list-style-type: none"> • the learning is analogous with problem solving • discussions inside the firm are a part of the learning process • the external training and development is possible but individual self-activity is needed • even the information that the person can develop himself is valuable
	Continuous Problem Solving	The daily work is linked to problem solving. The problem solving process: discussions->literature review->experimental testing	
	Self-activity	The self-development is the result of self-activity. The KE individually seeks for the possibilities of training and self-developing.	
Vice President, Sales and Marketing	Professional workforce	the bundle of professionals with common historical roots and experience inside a firm is a means to develop inside the firm	<ul style="list-style-type: none"> • the challenging job with the possibility of growing with the firm is a means to develop oneself • the main method for the development is discussion • a feeling of a membership of professional workforce is valuable
	The work as such	The challenging and interesting job is a means to develop continuously	
	Discussions inside and outside the firm	To discuss with the professional workforce as well as with persons outside the firm is a main method for the development (however, the development itself is not discussed)	
Vice President, Professional services	Learning by Doing	The firm is a learning environment itself. The possibility of seeing the results of one's own work is a key to the development.	<ul style="list-style-type: none"> • the firm is a learning environment in itself (the practical work with the possibility of seeing one's achievements) • the firm's growth provides new opportunities for the key employee – the top manager's trust and respect are needed
	Ambition for wider responsibility	The top manager's trust and respect provide the possibility of delegating and developing the key employee's work; otherwise the 'young lion' would be frustrated.	
	Developing the firm	The firm is a common challenge for the founders and for the first employees. The future visions and the common history are the bases for the commitment.	
	Networks	The continuous development of networks of one's own is a means to obtain the newest information and to do cost-effective business.	
Chief Technical Officer (CTO)	Responsibility	the responsibility for and the devotion to one's job are essential: each employee is responsible for his/her own work and development	<ul style="list-style-type: none"> • the development of the person him/herself is his/her individual responsibility • on-the-job development by the support of quality measurements and feedback • shared values needed in order to know the desirable quality
	Quality assurance	The shared values ensure the quality of the product and thus the quality measurements are a means to develop the work	
	Feedback	The feedback from the closest colleagues is different from the feedback given to the subordinates (merely value discussions). A means to get the newest information from the environment.	

	Managing Product Development	the leadership of the individual experts in product development is a challenge for the key employee. The product development is in the core – not the personnel development.	
--	------------------------------	--	--

The thematic interviews with the key employees in Firm B were intensive and the role of the researcher was mainly to be the listener and the maintainer of the flow of the talk. The main comments of the researcher were 'hmm' and 'okay' which were said only to assure the interviewer that the researcher is actively listening. Thus, the research situation could be described as if there were two colleagues meeting and discussing the human resource development of the firm. However, the only exception of this structure was the interview with the Chief Architect. During this interview the researcher's role was to be the interviewer making questions and the Chief Architect was the interviewee answering the questions. In all, the atmosphere during the interviews was very similar to what it was during the interviews in Firm A (i.e. open and intense). It felt just like a 'lock gate' would have been opened and for the first time the persons would have been given the possibility of talking about the human resource development. Thus, the continuous flow of the talk provided the researcher with long and wide textual material for the analysis (Table 14).

Table 14. The size of the textual material in Firm B.

The thematic interview	Number of words / total number of A4 pages
Chief Financial Officer (CFO)	3743 / 9,4
Owner-Manager (CEO)	4459 / 11,1
Vice President, development	6424 / 16,1
Chief Architect	1985 / 5,0
Vice President, sales and marketing	2700 / 6,8
Vice President, professional Services	5506 / 13,8
Chief Technical Officer (CTO)	5008 / 12,5

As a result, altogether three or four discourses per key employee were produced. By making a survey of the discourses as a whole, it can be concluded that the key employees'

discourses arise from the context of the firm as well as from the context of the key employees' own work. First, the **start-up phase** of Firm B exists in four key employees' discourses (Vice President/development, CEO, Chief Financial Officer and Vice President/professional Services). However, the contents of these discourses vary according to the key employees' interpretations. For the Chief Financial Officer it is taken for granted that the start-up firms do not have as competent human resource as the larger companies do and, thus, experience has to be bought outside. Also, in her discourse, today's not so challenging work is tolerated by the expectations for the growth of the firm and by more challenging working opportunities in the future. On the contrary, for the CEO and the Vice President (professional services) the working in a start-up firm provides an excellent opportunity for the development. In addition, for the Vice President (development) the start-up means the same as lack of financial resources (i.e. the firm is at a 'critical point') and, thus, he sacrifices his own development in order to ensure the development of his subordinates. However, the Vice President (development) notices that this critical phase of the firm has been the reality for over two years and, thus, self-development should be taken into consideration.

The **key employees' work** was a dominant source of the discourses. The work and the learning at work were included in the discourses of six key employees. The special nature of the work was the theme of the discourse by the Chief Technical Officer. His discourse 'Managing product development' can actually be seen as a testimony for the need of quality management with continuous measurements in order to manage the individual 'artisans' of his team. Another kind of discourse was produced by the Chief Architect. In his discourse the work is seen as a continuous flow of problem solving processes and, in particular, a continuous flow of opportunities to learn and develop. The Vice President (sales and marketing) and the Vice President (professional services) produced the discourses 'The work as such' and 'Learning by doing' emphasising the possibility of learning by doing the daily practical tasks. In both discourses the possibility of growing with the firm is a key to new learning opportunities.

Similarly, but more deeply, the CEO produces his discourse 'Learning philosophy'. In his discourse the work – and actually everything a person does – can be seen as an opportunity

to learn, if only the person analyses, proceeds and reflects on what he or she does. In addition, the Vice president (development) produced a discourse called 'Tacit knowledge' which is closely linked to the work of the key employee. The historical knowledge of the operations of the firm since the start-up affect the work of the key employee by making it easier to solve problems as well as by speeding up the decision-making process. Thus, the challenge for the near future is how to transfer this knowledge to other employees in the firm. As was mentioned earlier, the Chief Financial Officer handled the question of experience differently. In her discourse the experience is gathered outside the firm and, thus, her work consists mainly of the providing of information as well as being a mentor for the other key employees.

Another overwhelming phenomenon in the discourses was the **significance of discussions, feedback and networking**. As was the case with the previous phenomena (start-up and the work), the interpretations of the reality varied according to the key employee. For example, the Chief Financial Officer focused in her discourse outwards and she used her personal network as a means to exchange knowledge and experience. In addition, the Vice President (professional services) continuously developed his multilevel networks (e.g. friends, business partners etc.) in order to, first, have a dynamic means to survive in new environments (e.g. abroad), second, to be able to do cost-effective business and, third, obtain the newest information. Thus, his focus was also outwards from the firm. The Vice President (sales and marketing) as well as the Chief Technical Officer focused both inside and outwards in their discourses. The Chief Technical Officer's discourse 'Feedback' divides the way to provide and obtain feedback on two levels. Thus, with the closest colleagues the feedback can be even fierce and strong, as with the subordinates the feedback is provided merely as a form of value discussions aiming at creating shared values for the team. In his discourse 'Discussions inside and outside the firm' the Vice President (sales and marketing) emphasised the importance of the feedback from the customers as well as the discussions with the firm's professionals as a means to develop the work of the key employee.

The rest of the key employees (CEO, Chief Architect and Vice President, development) focused inwards in their discourses. For the Chief Architect, the discussions are an integral

part of the problem solving processes. Thus, the discussions are seen to be analogous with *football playing*: you kick the ball (the problem), and your team mate (a colleague from the firm) kicks it back to you, and the ball playing will be continued until the problem is solved or at least new information is received regarding the problem. Similarly, the social competence is seen as a necessary attribute of the employee in a small firm in the discourse of the Vice president (development). The social competence is needed for the creation of a positive atmosphere as well as for the development of the personal networks. Interestingly, the CEO's discourse 'Shared learning' includes the narrowest focus in comparison with the other discourses regarding discussions. In this discourse the CEO arranges opportunities for the employees to share their learning experiences with each other e.g. during meetings or planning sessions.

The survey of all the discourses produced by the key employees in Firm B provides an opportunity to see the **individual person developing him/herself**. There are four different views regarding the development and the person's role in the development. First, some of the discourses emphasises the individual employee's responsibility to develop himself (Chief Technical Officer and Chief Architect). The Chief Technical Officer's 'Responsibility' discourse tells clearly that as the person has accepted the job and wants to do the work, the person is responsible for the development, too. The Chief Architect's discourse emphasise the importance of self-activity which is needed in order to observe possibilities of training and developing. Second, some of the discourses create a picture of persons developing by sharing the knowledge and working as members of the professional workforce (CEO, Vice President/sales and marketing, Vice President/development). Thirdly, in two discourses the role of the employee's supervisor as well as the role of top managers is taken up. In the discourse called 'Balancing life' (Vice President/development) the manager's most important task is to take care of his subordinates and, thus, to ensure their development. Similarly, in the discourse 'Ambition for wider responsibility' (Vice President/professional services) the role of top management is raised as essential as the top manager's trusting and respecting of the key employees' competence is needed in order to develop the content of the work.

The analysis of the identities as well as the interaction between the discourses provide a holistic picture of the discursive 'struggle' or 'cohesiveness' on individual level (Table 15). The identities of the Chief Financial Officer form a logical picture of an expert working in a start-up firm. At the moment the experience is gathered during the previous jobs ('mentor' and 'provider' identities) and thus she acts as a mentor inside the firm and uses her network outside the firm as a means to exchange ideas and new knowledge ('receiver' identity). The focus is on the future and on the possibilities of getting a more challenging job. The strong belief in learning on-the-job is included in the identities of the CEO ('researcher' and 'active leader' identities). There is a dilemma based on the observation that all employees are individuals with individual motivations and, thus, the CEO has become realistic and he understands that not all persons are motivated by the same things as he is ('realistic leader'). Also, the start-up phase of the firm forms the context for the development of human resource – e.g. the newest skills have to be bought ('founder').

A more diversified discursive world was produced by the Vice President, development. He identifies himself as 'an extrovert team leader' with social skills and, secondly, as a 'soldier in a battlefield' who is tired due to a long-lasting fight; thirdly, as an 'unselfish team leader' providing the subordinates with the possibility of training themselves and, fourthly, as a 'knowledge base' with tacit knowledge of the firm. Due to the difficulty to transfer tacit knowledge, balancing life is difficult. Also, as the start-up phase of the firm requires unselfishness, the balance is hard to achieve. A much clearer discursive world is produced by the Chief Architect, who is '*playing football*' and thus solving the problems by actively using the means of a 'modern researcher'. If training and development are needed, the 'self-active and highly motivated employee' searches for the training possibilities and makes suggestions for his superior and trains himself – however, individually and alone. Similarly, the Vice President, sales and marketing, produced a clear picture of discourses with identities merely accomplishing each other. He identifies himself as a 'discussion partner' and a 'member of a bundle of professionals', who is 'motivated by the challenge of the work'. An interesting entity of identities is produced by the Vice President, professional services, as he is a 'young lion' aiming at more challenging working opportunities but, simultaneously, he is a 'father' growing his child (i.e. the start-up firm). In addition, as an expert of his work, he identifies himself as an 'artisan' working on a concrete piece of art

and with the results of the work visually seen (as a counterpart of the abstract work of modern high technology as Firm B, actually, is). Moreover, the identity of 'active network developer' is seen as a way to help the growth of the firm (or 'child'). Finally, the Chief Technical Officer produced a diversified entity of identities, too. He identifies himself as 'a person who is highly devoted to his job' and who 'understands the unique nature of his team'. Thus, because the challenge is the management of the individualistic product developers, the quality assurance is needed resulting in the identity of 'quality controller'. For the support of the product development, the newest information has to be supplied to the team and, thus, the identity of a 'messenger' is needed.

Next, the analyses of the **key points** of the key employees' discursive worlds will be made (Table 15). The key point is defined as a personal 'philosophy', for the development which can be raised from the discourses. By analysing the key point the contradictory discursive worlds with several identities become more rational. The sense-making of the complex social life – the human resource development in this case – will actually be taken over by creating a personal 'key' or 'philosophy' for the development. Thus, we will next take a closer look at the key points. First, the Chief Financial Officer focuses on the future: the opportunities for the development are waiting in the future and in the meanwhile she is concentrated on providing her experience and knowledge for the use of the firm. Second, the CEO rationalises his complex discursive world by his learning chain: everything you do can be regarded as a possibility of learning and the learning should be shared with others.

However, the challenge is to understand that not all employees are acting or thinking in the same way. In addition, the young Chief Architect rationalises the discursive world by regarding the work as analogous with problem solving done together with colleagues. Similarly, the Vice President (sales and marketing) raises the challenging work to be the key, but that is not enough: there should be the feeling that you are working in a professional atmosphere surrounded by real experts in the field. Third, for the Vice President (professional services) the top manager's supporting role (including trust and respect) is the key for a young lion to develop himself. Fourth, the Chief Technical Officer's key point arises from the rational thinking that all persons are willing to do their job as well as possible and, thus, they are also responsible for their development themselves.

Table 15. The identities and the key points of the discursive entities produced by the key employees.

Key Employee	The name of the discourse	Identity	The key point of the discursive world
Chief financial Officer	Future	a person looking for future challenges	focus on future challenges
	Experience	mentor	
	Small firm	provider	
	Network	receiver	
Owner-Manager (CEO)	Learning philosophy	researcher	the learning chain: analyse – act –reflect on all the work you do
	Start-up	founder	
	Leadership dilemma	realistic leader	
	Shared learning	active leader	
Vice President, development	Social Competence	an extrovert team leader	Every person should have a manager to take care. The balance of life is a key to the development
	Balancing Life	a tired soldier in a battle field	
	Tacit Knowledge	knowledge base	
	Start-Up	unselfish team leader	
Chief Architect	Discussions	football player	The work consists of a continuous flow of problem-solving processes
	Continuous Problem Solving	modern researcher	
	Self-activity	self-active and highly motivated employee	
Vice President, sales and marketing	Professional workforce	a member of the bundle of professionals	The work as such together with the possibility of being surrounded by professionals is a key to the development
	The work as such	a person motivated by the challenge of his work	
	Discussions inside and outside the firm	a discussion partner	
Vice President, professional services	Learning by Doing	artisan	The top managers' trust and respect of key employees' work is the base for the development.
	Ambition for wider responsibility	young lion	
	Developing the firm	a father making his child grow	
	Networks	active network developer	
Chief technical Officer (CTO)	Responsibility	a person highly devoted to his job	As you have accepted your job and want to do it as well as possible, you are also responsible for your development.
	Quality assurance	quality controller	
	Feedback	messenger	
	Managing product development	a leader understanding the unique nature of his team	

Next, we will take a look at the discursive worlds in Firm B and analyse **the variation** on the interpretations regarding human resource development. Each discursive world can actually be seen as a personal entity. The consequences for human resource development varied accordingly. Thus, the Chief Financial Officer acts as a mentor providing her experience for the small start-up firm, and the learning outside the firm by using her network becomes a means to develop. Whereas the Owner-Manager believes in learning-by-doing but is forced to buy new skills due to the limited possibilities of the start-up firm of training and developing. The Vice President (development) organises his team to ensure pair and group work in order to share the knowledge and sees that the balance of life is the clue to having strength to develop. The Chief Architect's learning is analogous with problem solving processes and, thus, the work itself provides opportunities to learn continuously.

Despite learning on the job, external training is possible if only the person is self-active and tells his boss what he wants. For the Vice President (sales and marketing) the challenging job with the possibility of growing with the firm is the main means to develop, and, in spite of that, there should be a feeling of membership with professionals and possibilities of discussing. For the Vice President (professional services) the firm is a learning environment as such and the practical working is the clue to the development. Finally, for the Chief Technical Officer the quality measurements (and values as a base for measuring good/bad performance) and the work itself are the clues for the development on-the-job, but the main issue is that each person is individually responsible for his/her development. In Table 16 the variation of the consequences on human resource development is presented.

In spite of the variation between the discursive worlds and the effects on human resource development, the variation between **three joint elements** in the discursive worlds can be explored, too. The first one is the variation in regard to *on-the-job learning*, the second one is the variation in regard to *the start-up firm* and the third one is the variation in regard to discussions. Even though the on-the-job³² learning is the joint element in all the discursive

³² Remarkable is that on-the-job learning has been regarded as one of the keys to success in previous research on small business success and failure (c.g. Lewis, Stanworth & Gibb 1984)

worlds, it is interpreted individually (Table 17). For the Chief Financial Officer it is connected with the challenges of the work and, thus, at the moment she is waiting for the future challenges in order to develop herself at work. Similarly, the challenge of work ensures the learning at work for the Vice President (sales and marketing), but for him the development has been possible even today. For the Owner-Manager the learning on-the-job is a conscious process. For the Vice President (development) the learning at work is seen as an interactive problem solving process. For the Vice President (professional services) the practical work is the key to development at work, whereas the quality measurements provide evaluation information which supports the development according to the Chief Technical Officer. Thus, this joint element (on-the-job learning) is interpreted individually, and thus it has individual meanings for each key employee.

Table 16. The variation of the consequences in Firm B.

<i>Key Employee</i>	<i>The variation of the consequences for the development of human resources</i>
Chief Financial Officer	learning through networking and gaining experience
Owner-Manager (CEO)	learning by doing (analyse-act-reflect and teach others); some new skills have to be bought
Vice President (development)	sharing the knowledge in social interaction; the balance of life as a base; the manager's role is important
Chief Architect	the learning is analogous to problem solving (work=problem-solving); self-activity is needed and external training is possible
Vice President (sales and marketing)	learning by the challenging job with the possibility of growing with the firm
Vice President (professional services)	the firm is a learning environment (practical work as a clue); top manager's trust and respect needed-> developing the firm
Chief Technical Officer	the development is each person's own responsibility; quality measurements provide the information regarding the development needs

Table 17. The variation of on-the-job learning in Firm B.

<i>Key Employee</i>	<i>The variation of on-the-job learning</i>
Chief financial Officer	not possible now; the future growth brings new challenges
Owner-Manager (CEO)	all events in work are potential for learning; analyse->act->reflect
Vice President (development)	share the knowledge with others and use group or pair working
Chief Architect	the work is analogous with problem solving which is analogous to learning
Vice President (sales and marketing)	the challenging work ensures learning on-the-job
Vice President (professional services)	the practical work is the key to learning on-the-job
Chief Technical Officer	the quality measurement supports learning on-the-job

The start-up phase of the firm is the second joint element in the firm (Table 18). However, the interpretations vary on individual level remarkably. In the interpretation of the Chief in Financing the persons in start-up firms are not as competent as persons in larger firms due to the lack of experience. Actually, the Owner-Manager interprets the same issue from a different point of view: due to lack of time and fast tempo in the firm, the firm is forced to employ persons having certain skills rather than to train and develop the skills inside the firm. The Vice President (development) actually interprets the situation to be so critical that the managers should concentrate on providing their subordinates with a possibility of developing instead of developing themselves. For the Vice President (sales and marketing) the start-up phase provides him with a possibility of growing and getting more challenging work at the same time as the firm grows. The same aspect is stressed in the interpretations of the Vice President (professional services). In fact, he is actively *promoting* and *developing* the firm not just developing himself as was the case with the Vice President (sales and marketing). Interestingly, for two key employees the start-up phase did not exist as a separate element in their interpretations (Chief Technical Officer and Chief Architect).

Table 18. The variation on the 'start-up phase' in Firm B.

<i>Key Employee</i>	<i>The variation on start-up phase</i>
Chief financial Officer	the persons working in small firms are inexperienced and less competent if compared to persons in larger companies
Owner-Manager (CEO)	due to fast tempo, knowledge has to be bought outside; as such, a start-up is a learning experience for founders
Vice President (development)	the start-up phase is critical, thus key employees should 'forget' the development of themselves and provide the possibility of developing for their subordinates
Chief Architect	not present in his discursive world
Vice President (sales and marketing)	there is the possibility of growing with the firm
Vice President (professional services)	there is the possibility of growing and developing the firm (top manager's trust needed)
Chief Technical Officer	not present in his discursive world

In Table 19 the variation in regard to the third joint element (i.e. discussions) is presented. The discussions were present in all discursive worlds. For the Chief in Financing the discussions were focused outside the firm on the persons in her network as was the case with the Vice President (professional services), too. The Owner-Manager emphasised the importance of telling others what you have learned merely as a one-way means to develop the person him/herself. For the Vice President (development) social competence was seen as a necessary competence of the employees working in a small firm. For the Chief Architect the discussions were seen as a part of the problem solving process whereas for the Vice President (sales and marketing) the discussions with other professionals were a means to develop as such. For the Chief Technical Officer the feedback discussions are a two level possibility to provide information on other persons' work and working practices. In all, there were seven different interpretations regarding the discussions as a mean to develop in the firm. Even though the phenomenon itself (discussions) was a part of the firm's reality the practices varied according to the individual interpretations.

Table 19. The variation on 'discussions' in Firm B.

<i>Key Employee</i>	<i>The variation on 'discussions'</i>
Chief Financial Officer (CFO)	discussions with network partners; mentoring discussions with the Owner-Manager
Owner-Manager (CEO)	tell others what you have learned and you will learn
Vice President (development)	social skills are needed for the work in a small firm
Chief Architect	the 'ball playing' with others is a part of problem solving
Vice President (sales and marketing)	the discussions with professionals are means to develop yourself
Vice President (professional services)	your own multilevel networks as a means to develop yourself
Chief Technical Officer (CTO)	the feedback discussions have two levels: direct feedback with one's closest colleagues, value discussions with subordinates

To conclude this chapter, the different levels of discourses will be discussed (see Alvesson & Kärreman 2000b; Lämsä 2003). The *start-up* phase of the firm, the *work as such* and the *discussions* can be seen as Grand discourses (see Sub-chapter 3.2.) providing a holistic view of the interpretative reality in Firm B. In this view the human resource development is actually a part of the work of the employees. As the start-up phase is critical for the firm and as there is a lack of resources, there are limited ways to develop. Thus, the work itself and the discussions between colleagues and customers are the main sources for the personal development. However, this holistic picture is merely a fictional 'average'. As was analysed, all the key employees made their own interpretations and produced their own discursive worlds with their own rationalising. Thus, the meso-level discourses (individual discourses in the firm level context; see Sub-chapter 3.2.) are the discourses which provide the way to understand the factors which inhibit or foster the development on the individual level.

These meso-discourses together with Grand discourses form the discursive world for the key employee in which he or she works and develops. For example, the 'Future' is a clear meso-discourse for the Chief Financial Officer as well as 'Learning philosophy' for the CEO. These meso-discourses are meaningful for the employee him/herself and by producing the discourse the key employee makes the rational actions (at least according to

him/her) regarding the development. In addition, in the discourses, there are some hints regarding the appearance of *mega-discourses* (i.e. standardised ways to refer to a certain type of phenomenon, see sub-Chapter 3.2.). First, *networking* as well as *tacit knowledge* has been one of the main topics of business literature during the last decade. Secondly, during the past years there has been continuous national discussion on demands of the working life and, thus, on the *balancing* of the working and family life of the employees. In sum, the analysis of the discursive worlds as well as the levels of discourses provides us with strong evidence that the individuals interpret and create their own 'realities' and, thus, even the overwhelming grand or mega-level discourses are interpreted individually, having diverse effects for different key employees.

5. CONCLUSIONS

5.1. Summarizing the Aims of the Research

The overall research question of this dissertation regarded **the role of strategic human resource development in SMEs**. Therefore, first, the overall picture of SHRD in an SME-context was created. From the structural point of view the overall picture was seen as a cultural frame which was open to different interpretations. Accordingly, from the perspective of social constructionism (as a epistemological base for this research) the reality is created by individuals in social interaction. In this research the focus was on the key employees as the strategic resource creating the interpretations of the human resource development in social interaction. In order to 'reach' the key employees the following objectives were stated: *(1) the objective to clarify the widely used, but at the moment ambiguous and vague concept of 'key employee' and (2) the objective to revise and further develop the previous models of the identification of the strategically most important resources – in this research especially the key employees.*

The resource-based theory was used as a theoretical framework to define the concept of key employee. Consequently, the framework for the identification was formed as a revision of the VRIO-framework presented by Barney (1994b: 4–17). The revised framework was applied in two case firms. The identification of key employees by using the resource-based view of the firm supports the prior research on the principle that RBV is an applicable angle for strategic HRM/HRD (e.g. Hendry et al. 1995; Boxall and Purcell 2003). Thus, this dissertation provides an 'extension' of the common statement of managers: *'Employees are the most important resource'* first by continuing *'and our key employees are our strategic human resource'* and, secondly, by continuing *'through whom our strategy unfolds and the sustained competitive advantage may be achieved.'*

The third objective of the research was *to analyse the individual key employees' discursive worlds in order to understand the internal discursive variation in the firms and, thus, the consequences affecting HRD*. Thus, in this research the method of discourse analysis was chosen in order to explore the interpretative realities of key employees. The idea that there

could be a number of realities instead of a single one regarding the human resource development inspired the researcher to talk with the individual key employees and to consider the use of language as a function itself and not just as a description of the reality. Thus, the human resource development was seen as a phenomenon which is individually interpreted in social interaction. Hence, the aim was not the value whether the interpretations of an individual key employee were good or bad but rather to understand how the internal variation is constructed in social interaction and what kind of consequences are affected by these interpretations. As a result, all the key employees in both firms (A: five persons and B: seven persons) were interviewed and the interviews transcribed and analysed, producing material of a total of 116 sheets of A4 size including 46442 words (on average 3870 words and 9,8 A4 sheets per person) resulting in twelve interpretative realities (i.e. discursive worlds as a term used in the research). Thus, the fourth objective of the research was *to broaden the picture of SHRD in SME-contexts by using the results of the discourse analysis.*

In this chapter we will concentrate on the role of SHRD in SME contexts as a primary question of this research. First, the conclusions regarding the discourse analysis will be drawn and, secondly, the broadening of the picture of SHRD in an SME context will be accomplished. Finally, the implications for practice and research will be discussed.

5.2. Conclusions Regarding the Discourse Analysis

The third objective of the research was *to analyse the individual key employees' discursive worlds in order to understand the internal discursive variation in the firms and, thus, the consequences which affected the development of human resource.* Thus, the identified key employees in both case firms were interviewed and their discourses were analysed. In order to construct a picture of key employees' interpretative realities (i.e. the discursive worlds) the discourses of individual key employees were analysed internally (i.e. the content of discourses) as well as externally (i.e. by exploring the contradictions and interactions between discourses). As a result, the consequences for human resource development affected by each discursive world were explored.

The analysis of the discourses was done strictly based on the content and, thus, the aim was not to value the discursive worlds and the consequences as being good or bad, but rather to understand that these discursive worlds are the actual reality for the key employees themselves – this is the world in which they work and interact and these are the consequences which are the reality for each key employee. Thus, this research setting made it possible to understand that the reality in a firm is not a single entity but interpretative, multiple and complex as well as dynamic in its nature. Moreover, it should be emphasised, that in this research the aim was not to value whether the consequences on HRD are good or bad but rather to understand the mechanism by which the variation is built. In this sense, the research provided a cross-sectional view of the key employees' discursive worlds and especially of the discursive worlds which were constructed in interaction with the researcher. In other words, the discursive worlds are interpretations by the researcher and in this research, subject to the assessment of the readers.

During the research process it became evident that most of the key employees were actually for the first time talking about human resource development in their firm. Thus, the flow of the speech seemed as if 'lock-gates' were opened and the main task of the researcher was to keep the thematic interviews to the themes of the research. The discourse analysis in two case firms actually ended up to with the same results. The individual key employees construct individual interpretations which cause the variation in regard to human resource development in the firm. Thus the question of internal variation could be understood by the interpretative nature of social reality.

As a result, first, the analysis of the discursive worlds on individual level provided the possibility of exploring the overwhelming phenomenon that all the key employees created their discursive worlds in social interaction (thematic interviews). Some joint elements were explored as well as some meso-, grand- or mega-level discourses. However, also the joint elements (e.g. self-development) were individually interpreted. Thus, this result indicates that human resource development has not been a topic as such in the firm. Therefore, each key employee had created his/her own interpretation of the reality and acted according to his/her own interpretation not by following a shared strategy for the human resource development. If the discourses are evaluated by using a 'distance'

measurement, all the discourses seem to be raised from the individual *key employee's closest sphere*. In other words, the discourses were developed by the key employees' own previous experiences (e.g. networking during the past career phases), current work (e.g. the need for self-development) or current life- and career phase (e.g. age). This phenomenon can be seen to be understandable as the human resource development is not a common topic of discussions nor is there a strategy for HRD. Thus, it becomes rational why the discourses are rooted in the key employee him or herself.

Second, in this research **the multiple and complex nature** of discursive worlds became evident. In most cases the key employees constructed discursive worlds in which the individual discourses were in contradiction with each other. Thus, the complexity of discursive worlds may cause confusion for the decision-making processes regarding human resource development. On the other hand, the key employee may think that the human resource development is essential and needed, but on the other hand, there may be discourses which are in contradiction with this view. Thus, the decision-making regarding the key employee's self-development as well as the human resource development in the firm as a whole may become inconsistent. However, interesting exceptions were the two key employees (one in each case firm) who had the shortest working career in the firm. The discursive worlds of these key employees were consistent without any internal contradictions. Thus, it seems that the interpretative reality is for the newcomers simpler than for the persons who already have become socialised to the firm's culture. Hence, future research may provide more information regarding the change in discursive worlds during the working career. However, according to this research it seems that if the firm has not created a common and shared human resource development strategy, the complexity of individual discursive worlds seems to increase.

In all, the **overwhelming power of discourses to maintain or renew social conventions** became evident during the research process. Also, it became evident that the power of discourses on firm level is not tied to the level of discourse (i.e. micro-, meso-, mega-, grand) i.e. the higher level does not mean higher power of the discourse. This phenomenon was explored through the analysis of the variation of discursive worlds. Thus, again, the reality is interpreted on individual level and continuously. Therefore, the key employees are

in key positions to create a shared interpretation of the reality and shared discursive worlds regarding human resource development.

Even though the aim of this dissertation was not to make a comparative study of the target firms but rather to bring the discursive variation into the daylight, some similarities and differences between firms A's and B's key employees' discourses are worth mentioning. First, the life-cycle of the firm was present in both firms. The maturity of Firm A was seen in the discourses highlighting the hard times as well as the aging personnel. Whereas the maturity seemed to hinder the development in several discourses, the start-up phase of Firm B provided even a learning environment for the key employee. Secondly, the sharing of the knowledge and pair and group working was seen as means to develop human resources in Firm B whereas in Firm A the key employees were merely alone developing themselves. All in all, the attributes of a start-up firm seem to affect the interpretation regarding human resource development positively.

To conclude this chapter we will discuss the **credibility** of these discourse analyses (see Sub-chapter 3.4.). *Coherence* was the first criterion for the credibility. In this sense the exceptions and deviations are presented in the report in order to test the internal coherence of individual discourses. Thus, the interviews were tape-recorded and transcribed in detail in order to analyse the coherence and explore the deviant and exceptional phases by using multilevel material for the analysis (e.g. tones, brakes, extra words, hesitation). The second criterion was the participant's own understanding. This criterion focused to the situation of the thematic interview. *The participant's own understanding* was ensured by the possibility of producing as enriched talk as possible on the themes. Thus, the interpretative realities with their consequences were the primary target of the analysis. The third criterion was called *new problems*. Thus, the internally coherent discourses were the material for the researcher to construct discursive worlds. The discursive worlds are not seen as coherent entities but rather as contradictory entities in which the key employees work daily. Thus, the contradictions were analysed as producing not only solutions (certain consequences) but, also, new problems (e.g. a certain discourse hinders the development of human resources as at the same time another discourse makes the development possible). In this sense, the variation in regard to human resource development was seen as a complex and

dynamic phenomenon. Finally, the *reader's evaluation* is supported by the detailed presentation of the interpretation paths of the researcher. The discourse analysis was expressed in detail by providing the reader with the possibility of seeing the exact places in the text from which the interpretation is made. In the last chapters of this research the last criteria regarding the credibility, i.e. the *fruitfulness* and the *generalisation*, will be discussed.

5.3. The Role of SHRD in the SME-Context

In this sub-Chapter, the angle of vision will be focused on the **SME-context**. Even though the results of the discourse analysis provide the individual interpretations of the prevailing reality in the case firms, the analysis will offer some insights into the particular role of strategic human resource development in the SME context, too. Therefore, the aim is not to produce universal truths or theories but rather to broaden the picture by using the results of this research and, thus, Figure 35 (presented in Figure 5, too) will form the frame for this discussion.

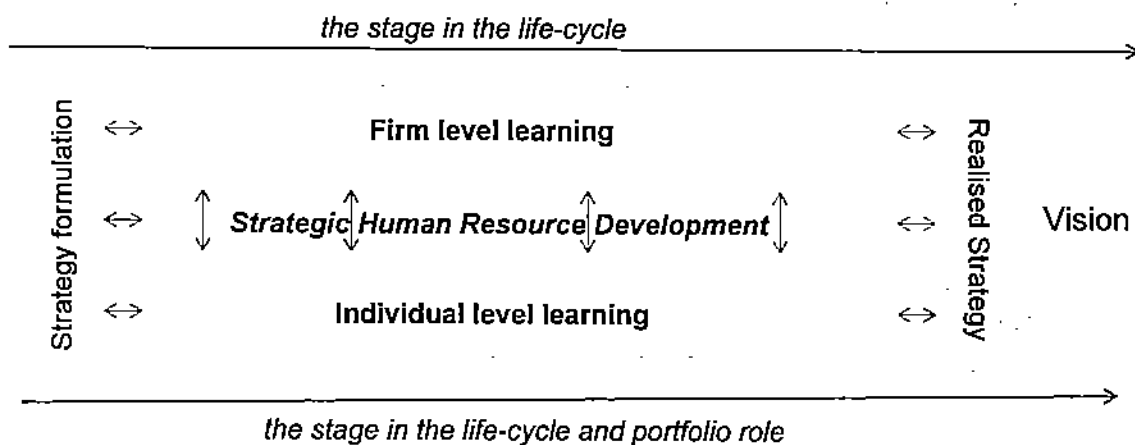


Figure 35. The picture of the role of SHRD in an SME-context.

First of all, according to this research the **importance of the talk about SMEs** becomes concrete and visible in regard to strategic human resource development. The human resource development is a vital feature of the key employees' working life and, as was

explored, the key employees are enthusiastic to discuss the matter. However, HRD as such has not been the topic of everyday discussions at work. In other words, even though the culture of the firm may encourage employees to discuss with each other, it does not mean that HRD as such is the topic of the discussions. Thus, the discourses will become diversified and, then, secondly, the reality becomes **individually interpreted**, which may lead to the possibility that discourses and the discursive worlds begin to 'live' their own 'lives' resulting in extreme cases in distorted pictures of the role of SHRD forming and executing the strategy. Especially in SMEs, the importance of the talk is raised, as the written communication or strategies are not so common as in larger firms.

Secondly, as the **HRD is an important feature of the key employee's working life**, the common feature is that the development is concentrated on the individual level. The key employees develop themselves actively and the work as such provides a continuous possibility of learning. In addition, personal networks are created and used in order to gather the newest knowledge. However, the individual interpretations may affect the self-development being active but hidden from the employer. This means that a key employee develops him/herself actively but, actually, he or she creates a personal knowledge base which is not known by other employees or the employer at all. In this sense, the *hidden development* may even raise the risk of personal turnover because the personal knowledge enables the person to find a new job in case the current job does not motivate any more. Moreover, if the hidden development is prevailing in the firm, the aspiration to create the firm towards a *learning organisation* becomes more difficult or even impossible. Thus, the shared interpretations regarding HRD can lead to a possibility of firm level learning as well as of diminishing the personal risk (i.e. the danger that the knowledge, skills and experience concentrate on a few key employees).

Third, the discourse analysis provided a new angle of vision for the **career and individual life-cycles**, too. The individual discursive worlds reflect the person's own interpretation regarding the career categories. For example, a key employee may regard himself as a 'problem employee' in one discourse, but, simultaneously, in his other discourse he may regard himself as a 'workhorse' being a senior manager who provides development possibilities for his own team. In this respect, the discursive worlds with corresponding

identities seem to be in *interaction* with the career roles. However, in this respect, the present career models prove to be too simple if seen on the individual level. Actually, there seems to be a possibility that the different career roles may be, first, *individually interpreted*, second, they may even be *imprecated*. Thus, shared understanding regarding the strategy together with continuous human resource development could lead to key employees' career roles which support the unfolding of the strategy.

Fourth, in the discursive worlds the **role of strategic human resource management** was mainly need- or opportunity-driven (see Luoma 2000). In most discursive worlds, the human resource development was targeted to fill the gap between the demands of the work and the actual competencies (need-driven SHRD). In addition, there were discourses which directly connected the exploration of new opportunities (i.e. opportunity-driven SHRD) with the development (e.g. 'Problem solving' or 'Learning philosophy' discourses). The 'Developing the firm' is the closest discourse to the capability-driven SHRD. In this discourse the key employee developed himself by actively executing the growth strategy of the firm. However, the capability-driven SHRD emphasises the importance of creating firm level capabilities (i.e. not only on individual level) and, thus, this discourse cannot be included in the category. In all, the role of HRD seemed to concentrate on the individual level development and, thus, the development towards learning organisation was not clearly seen. Actually, the discursive worlds affecting individual level development may even prevent the firms from becoming learning organisations. Thus, again, the fit between the interpreted and the actual or ideal reality, can be regarded as a key to a shared human resource strategy.

Fifth, on the individual level development was active, but the difference was on the firm level collaboration and on the sharing of the knowledge. In this respect, if the discursive worlds of owner-managers are analysed, the **Owner-Manager's influence** has been strong in the discursive worlds of the key employees. Moreover, in the light of discourse analysis, especially the Owner-Manager's talk affects the overall picture of the role of SHRD. However, the path is not direct because of the individual interpretations. In this sense, the continuous discussions and talk about human resource development can be seen as a means

to form a common understanding and, thus, common interpretations regarding the strategic issues.

Finally, in this research, the role of the SHRD in SMEs is **both unique and fragmented**. Besides the actual reality of the firm, the key employees' interpretative realities diversified the strategic role of human resource development. In this research, the common phenomenon was that the individual level learning was emphasised. Thus, a shared strategy with strong visions for the future combined with firm-level learning and supported by individual-level learning could be a means to create a picture in which the human resource development becomes strategic (i.e. enables the firm to reach the strategic goals). Therefore, **the continuous and conscious discussion** on SHRD could be seen as a possibility of creating more coherent discursive worlds affecting a more coherent role of strategic HRD and, thus, the picture of SHRD will be revised.

To conclude, SHRD and key employees' discourses are in close interaction in SMEs, and thus discourses facilitate the *implementation, maintaining and the renewal of SHRD*. In addition, SHRD provides a base for social interaction in which the discourses are maintained, renewed and shared. Thus, the picture of the role of SHRD can be completed (Figure 36). The revised picture of the role emphasises the **strategic role of key employees** in constructing the fit between the actual and interpreted realities. Thus, the interaction and the use of language are raised as powerful tools to make a coherent picture and, thus, the key employees have the central role in unfolding the strategy. To conclude, as the discourses as well as the environment of SMEs are dynamic in nature, the continuous assurance of the fit between the actual and interpreted realities becomes a central issue in SMEs in order to unfold the strategy of the firm.

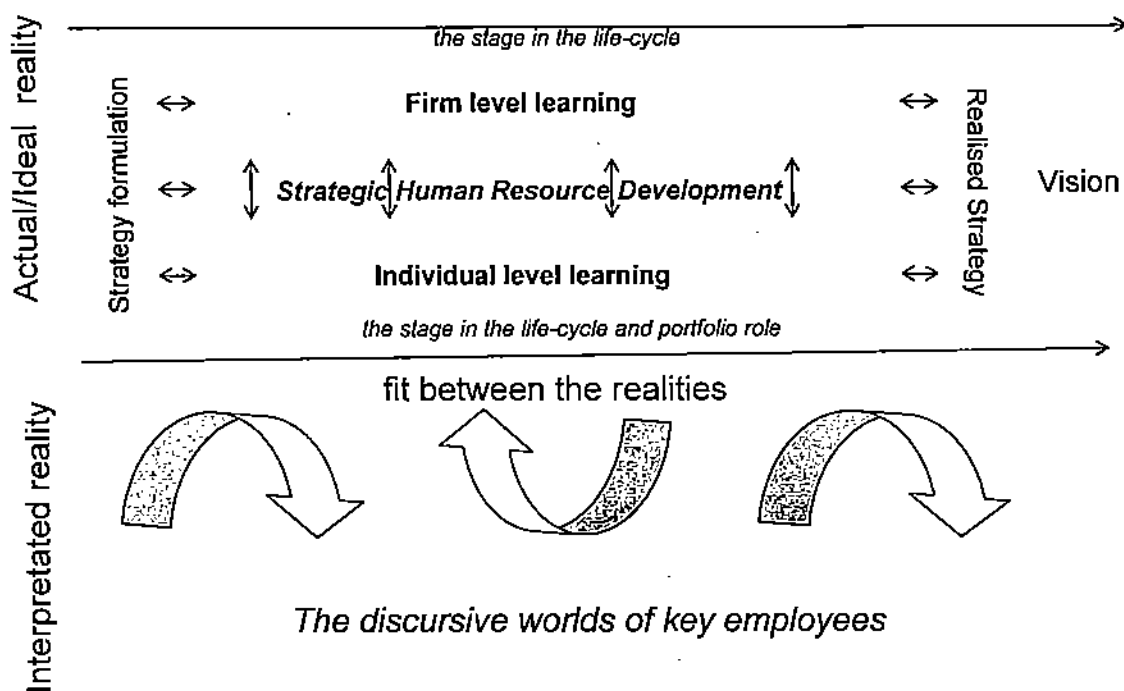


Figure 36. The interaction between SHRD and discursive worlds in an SME context.

In sum, this research supports the current leadership research, which emphasises the importance of *leadership skills* e.g. knowledge management and leadership in a learning organisation (e.g. Senge 1996, 2004; Nonaka & Takeuchi 1995; Bowerman & Collins 1999; Viitala 2003; Nonaka 2004). Senge (2004: 462–464) criticises the traditional role of leader as a charismatic decision maker (see e.g. Hunt 1991) and argues that the leaders in the learning organisation are responsible for building organisations where people are continually expanding their capabilities to shape their future and, thus, they are responsible for learning. Similarly, it can be argued that in order to build a coherent and shared interpretation of SHRD, the **new leadership skills are needed**. According to Senge (2004: 472) the leader's new skills are building shared visions, surfacing and challenging mental models and engaging in systems thinking. For example the special skills for building shared visions are (Senge 2004: 472):

- encouraging personal vision: shared visions emerge from personal visions
- communicating and asking for support: the aim is to share the vision – not to be the official representative of the vision
- visioning as an ongoing process

- blending extrinsic and intrinsic visions: the vision should not only target towards competitive environment but it should also encourage the innovativeness and creativeness.

Moreover, Barney's (1994) concept 'managerial organizational resources' as strategic resources emphasise the importance of leadership skills – especially *transformational leadership* (see Hunt 1991: 181–215). Despite the traditional view of charismatic leaders as transformational leaders, Barney (1994b) emphasises that the unique combination of the 'right' person in the 'right' firm at the 'right' time is the base for the existence of **transformational leadership** – thus, all the leaders in the organisation have the possibility of becoming persons who enable the firm to exploit new opportunities i.e. to become transformational leaders. However, the question is not how individual managers become transformational leaders but rather how the *trusting relationships* among managers and team work in the organisation enable the exploitation of new opportunities (Barney 1994b; see Hurst, Rush and White 2004: 499–524). According to Barney (1994b): '*Managers, as individuals, are still relevant in this new view, but their most relevant skills seem to focus on building teams, relationships, cultures and traditions.*'

Actually, the results of this dissertation call for **widening the angle** of the current leadership research to **all key employees** – i.e. not only the leaders – as a resource which enables the firm to become a learning organisation. Therefore, the skills needed from leaders are also needed from all the key employees in the firm. These skills enable the firm to create a shared interpretation of the reality and, thus, to form a shared understanding of the strategic role of human resource development. In sum, even though this dissertation supports the current leadership research, it also calls for widening the perspective towards key employees **especially in the SME sector** in which the number of actual leaders is small and, thus, the role of all key employees is crucial in regard to the survival of the firm.

5.4. The Implications for Practice and Future Research

In order to finalise this research, it is worth while to discuss both the practical implications and the possibilities for future research. First, we will start with **the practical implications**

regarding the identification of strategic human resource. The clarification of the concept 'key employee' together with the revised framework for the identification of strategic resource provides the SME managers with the possibility of understanding that the human resource is not a single entity but, rather, it consists of individual persons with different skills, knowledge and experience. The key employees are the persons through whom the strategy unfolds and cascades to the everyday working life of all the employees. Thus, the attention which is paid to key employees does not imply that the rest of the human resource could be forgotten – on the contrary. All the human resource has to be maintained and developed, but especially the maintenance and development of the strategic resource is essential for the survival of the firm. Moreover, the knowledge of the criteria regarding strategic resource may be used as a tool to develop other employees (especially those with future potential) to become new key employees for the firm. Thus, the human resource development will ensure the continuous maintenance of a strategic human resource-base for the firm.

Secondly, as was analysed in this research, the talk has strategic importance especially in SMEs where the written strategies and literal communication are usually minimal. In addition, the phenomenon of the interpretative nature of the reality has practical implications. As it was seen that if the human resource development as such is not discussed in organisations, individual key employees (and other employees, too) will make their own interpretations and create their own realities in which they will work. As was seen in the discourse analysis even individual persons may create their own realities which are incoherent in their nature. Thus, the decision-making of a single key employee may become incoherent causing uncertainty in the organisation. Therefore, the main task of the strategic management of the firm will be the creation of the *fit* between the actual and interpretative realities. The only means to create the fit and a coherent reality is the same tool which may lead to incoherence – *social interaction*. Moreover, the firm needs a strategy and a strong vision which are planned together and continuously discussed with the personnel. However, this is not sufficient yet. As the strategic human resource development is in the role of enabling individual as well as firm level learning, it should be a topic of everyday discussions *as such*. Otherwise, the fit between the actual reality of SHRD and its interpretations could be lost. Another benefit for SMEs taking SHRD as a topic of discussions

could be the possibility of bringing SMEs closer to the mainstream 'discourse' of SHRD and, thus, avoid the 'peripheral' location in which SMEs seem to be at the moment.

The practical implications can be summarised as suggestions for the SME practitioners as follows: First, as the talk is important, thus, it is important that human resource development as such will be *a topic of discussions* in the firm. In this sense, the discussions may provide the way to build a common strategy for the human resource development. Second, the dynamic nature of the construction of social reality presupposes talking and discussing *continuously* about HRD, otherwise the interpretations of individual persons will begin to 'live' their own 'lives'. Third, the discussion regarding the individual interpretations could be used as a *means to destroy* the kind of overwhelming discourses which prevent the human resource development in the firm. In other words, the *new leadership skills* (see Chapter 5.3.) including especially interaction and communication skills of key employees in SMEs are seen as a primary tool to implement maintain and develop the strategic role of HRD in SMEs. However, the use of these skills is not enough if the key employee has not properly understood the principle that the reality is interpretative and, thus, the reality has to be continuously and socially constructed in the everyday life of SMEs. By understanding this phenomenon the implementation of strategic HRD becomes possible. Moreover, a possible practical implication for a small firm is the understanding that strategic HRD also means the possibility of shaping the firm's strategy by means of human resource development. In this sense, the discussions targeting towards a common interpretation of reality may act as a part of the firm's strategy process. In other words, the firm's strategy process, actually, is a learning process during which the shared vision is created. Thus, the broadened picture of SHRD sets a challenge for the owner-managers and owners of the firm: *unlearning* the past is first needed in order to create a **new working culture** with key employees having the strategic role as facilitators of a learning organisation.

Next, the **implications for future research** will be discussed. First, the clarification of the concept of key employee contributes to the future research on human resource management and development. The previous research on resource-based theory has provided this research with the theoretical base for the revised framework for the identification of key employees. However, the revision of the VRIO-framework was needed in order to apply it

to human resource and, especially, for the purposes of individual level analyses. Thus, this research contributes to the previous theoretical studies regarding strategic human resources with a revised frame applied in practice. As in this study the owner-managers of the firms made the identification, it would be fruitful to expand the analyses to the key employees' self-analysis. The research on individual key employees' own understanding regarding the attributes of strategic resource could provide new knowledge for SHRD research. Therefore, the longitudinal research regarding the identified key employees and their development could provide new knowledge for the research field. An especially important question is: How could the shared discursive worlds regarding SHRD diminish the risk of personal turnover (especially of key employees) in SMEs? Moreover, future research is needed for the understanding of how the knowledge of the attributes of strategic resources affect the key employees' decision-making regarding their self-development and the HRD of their subordinates.

Methodologically the discourse analysis provided a means to explore *the multiple and complex nature of the reality* in the SMEs. In two case firms the key employees constructed their individual interpretations of the reality and formed their own discursive worlds which had corresponding effects on human resource development. Thus, this research provided a possibility of deeply understanding the interpretative nature of SMEs' reality. Hence, the contribution of the research is the widened picture of the role of SHRD in an SME context. Especially, the phenomenon of the continuously changing discursive worlds will contribute to future SHRD research. In fact, as a challenge for the future research we would like to leave the longitudinal research on the *dynamic* nature of discursive worlds in SMEs: how the discursive worlds change in social interaction in time and how the understanding of the interpretative nature of the reality changes the discursive worlds.

Finally, the challenge of strategic human resource development research in an SME context is, in fact, the multilevel complexity of SMEs: first, the uniqueness of each firm, second, the uniqueness of each employee and, third, the interpretative nature of the reality. However, as we experienced during this research process, these challenges are able to be met. Thus, in the future, more research on SME and individual employee levels is needed with innovative methodologies taking into account the complexity and uniqueness of

SMEs. Furthermore, a special challenge is, first, to target leadership research to the SME sector and, then, to widen the perspective towards all the key employees and their leadership role and skills in SMEs in regard to strategic human resource development.

ACKNOWLEDGEMENTS

The past ten years have been the most rewarding as well as perhaps the most challenging period in my life. I started my post-graduate studies in the autumn of 1994 at the same time as I started working in the field of business education and training. The post graduate studies and simultaneous working have both complemented each other and, thus, it has been most inspiring to change the roles of the manager in a training organisation and academic researcher. Especially warmly I will always remember the possibility to participating in the European Doctoral Programme in Entrepreneurship and Small Business Management and the sunny spring in the year 2001 in Barcelona. Now that the dissertation is completed, it is time to thank those who have made it possible for me to make the efforts in the academic field.

First of all I would like to thank Professor Vesa Routamaa in the faculty of Business Administration, department of Management, in the University of Vaasa. Professor Routamaa has been my supervisor providing me with encouragement and support during the whole period of post-graduate studies. Special thanks to my friend, Vice Dean, Professor Vesa Suutari, University of Vaasa, for the valuable support and the fruitful academic discussions during the past years.

Also, I wish to express my gratitude to the reviewers of my dissertation Professor José M. Veciana, Autonomous University of Barcelona and Professor Tuomo Peltonen, University of Oulu. Moreover, special thanks to Mr Rolf Lindholm for editing my text.

My warmest thanks go to Principal Markku Kantonen, Edupoli, for the encouragement and support on integrating my daily work and the academic research. Many thanks to my colleagues at work and numerous business partners for the interest you have shown in my research.

I also very gratefully acknowledge the financial support received from Wihuri foundation, Finnish Association of graduates in Economics and Business Administration Helsinki Section, the University of Vaasa and Helsinki School of Business, the Foundation of the Small Business Centre as well as the International Council of Small Business ICSB.

I wish to thank my parents, Vuokko and Kari Tuomi, who have always inspired me by being the role models of continuous and lifelong learning. Also, I express my gratitude to my parents-in-law, Maija and Taisto Veijalainen for their unconditional support. Finally, my wife Leena, thank you for your support, patience and understanding during my 'never-ending' research process.

I wish to dedicate my dissertation to our children Emmi and Matias. Do not forget your inspiring abilities to wonder and discover the mysteries of the world!

Porvoo, the 1st of February 2005

Lauri Tuomi

POSTSCRIPT

Sherlock Holmes: *"Dear Watson, look what we have done! The mystery is solved and the case can be closed – even though some further questions remain..."*

Dr. Watson: *"Yes Sir, the understanding that the reality is interpretative was actually the main clue which guided us to solve the mystery. Actually, I have made a poem of the ingredients in which the key employees work and develop themselves and their subordinates in SMEs. Would you like to hear it?"*

Sherlock Holmes: *"Of course I would like to hear it! But in the mean time, would you pass me another cup of tea."*

*As the reality is interpretative,
talk about human resource development with your colleagues.
Talk about your interpretations, and listen
to the others, then, take the risk and
share your learning experiences. Don't hide your learning and
you'll grasp the feeling that you really are one of the professionals!
Then, enjoy your work today,
even though, the future is waiting somewhere
with its challenges and new opportunities for you and the small firm.
And, please, note that
as time is running so fast, it is better to stay for a moment and
reflect on what you have learned, and what should be learned
and then, keep going, but remember
that the reality is interpretative, so pay attention to your talk
and start from the beginning.*

REFERENCES

- Ahl, H. (2004). *The Scientific Reproduction of Gender Inequality*. Copenhagen: CBS Press.
- Alasuutari, P. (1994). *Laadullinen tutkimus*. Tampere: Vastapaino.
- Alasuutari, P. (1996). *Erinomaista rakas Watson, Johdatus yhteiskuntatutkimukseen*. Tampere: Tammer-Paino Oy.
- Alvesson, M. & D. Kärreman (2000a). Taking the linguistic turn in organizational research: challenges, responses, consequences. *The Journal of Applied Behavioural Science* 36:2, 136–158.
- Alvesson, M. & D. Kärreman (2000b). Varieties of discourse: on the study of organizations through discourse analysis. *Human Relations* 53:9, 1125–1150.
- Alvesson, M. (1993). Organizations as rhetoric, knowledge-intensive firms and the struggles with ambiguity, *Journal of Management Studies* 30, 997–1015.
- Alvesson, M. (1994). Talking in organizations: managing identity and impressions in an advertising agency. *Organization Studies* 15: 4, 535–563.
- Amit, R. & M. Belcourt (1999). Human resources management processes: A value-creating source of competitive advantage. *European Management Journal* 17:2, 174–181.
- Amit, R.H. & P.J.H. Shoemaker (1994). Investment in strategic assets: industry and firm-level Perspectives. *Advances in Strategic Management* 10 A, 45–72.
- Anderson-Gough, F., C. Grey & K. Robson (2000). In the name of the client: The service ethic in two professional services firms. *Human Relations* 50:9, 1151–1174.
- Armstrong, M. (1993). *Human Resource Management, Strategy and Action*. Kogan Page Ltd: London.
- Ashton, D. & A. Felstead (1995). Training and development. In: *Human Resource Management. A Critical Text*, 234–253. Ed. J. Storey. London: International Thomson Business Press.
- Barney, J. & E. Zajac, (1994). Competitive organizational behaviour: Toward an organizationally-based theory of competitive advantage. *Strategic Management Journal* 15, 5–9.
- Barney, J. (1986). Strategic Factor markets: Expectations, luck, and business strategy. *Management Science* 32:10: 1231–1241.
- Barney, J. (1991a). Special theory forum. The resource-based model of the firm. Origins, implications and prospect. *Journal of Management* 17:1, 97–98.

- Barney, J. (1991b). Firm resources and sustained competitive advantage. *Journal of Management* 17:1, 99–120.
- Barney, J. (1994a). Commentary: a hierarchy of corporate resources. *Advances in Strategic Management* 10 A, 113–125.
- Barney, J. (1994b). Bringing managers back in: a resource-based analysis of the role of managers in creating and sustaining competitive advantages for firms. In: *Does Management Matter? On Competencies and Competitive Advantage*, 1–36. Eds J. Barney, J-C. Spender & T. Reve (1994). Grawfoord Lectures 6. Lund University.
- Barney, J. (2001). Is the resource-based “view” a useful perspective for strategic management research? Yes. *Academy of Management Review* 26:1, 41–56.
- Barret, A. (1999). How to keep rising stars from straying. *Business Week* 6.7.1999.
- Barry, D. & M. Elmes (1997). Strategy retold: toward a narrative view of strategic discourse. *Academy of Management Review* 22:2, 429–452.
- Beardwell, I. & L. Holden (1997). *Human Resource Management. A Contemporary Perspective*. London: Pittman Publishing.
- Beaumont, P.B. (1993). *Human Resource Management. Key Concepts and Skills*. London: Sage Publications.
- Beaumont, P.B. (1994). The US human resource management literature. In: *Human Resource Strategies*. Eds G. Salaman, S. Cameron, H. Hamblin, P. Iles, C. Mabey & K. Thompson. London: Sage.
- Benyamin, M. & C. Brush (2001). How do “resource bundles” develop and change in new ventures? A dynamic model and longitudinal exploration. *Entrepreneurship Theory and Practice* 25:3, 37–58.
- Bowerman, J. & G. Collins. (1999). The coaching network: a program for individual and organizational development. *Journal of Workplace Learning* 11:8, 291–297.
- Boxall, P. & J. Purcell (2003). *Strategy and Human Resource Management*. Bristol: Palgrave McMillan.
- Boxall, P. (1996). The strategic HRM debate and the resource-based view of the firm. *Human Resource Management Journal* 6:3: 59–75.
- Brewster, C. (1995). HRM: the European dimension. In: *Human Resource Management. A Critical Text*, 309–331. Ed. J. Storey. London: International Thomson Business Press.

- Brumagim, A.L. (1994). A hierarchy of corporate resources. *Advances in Strategic Management* 10 A, 45–72.
- Burman, E. & I. Parker (1993). Introduction – discourse analysis: the turn to the text. In: *Discourse Analytic Research, 1–16. Repertoires and Readings of Texts in Action*. Eds E. Burman & I. Parker. London: Routledge.
- Burr, V. (1995). *An Introduction to Social Constructionism*. London: Routledge.
- Castanias, R. & C. Helfat (1991). Managerial resources and rents. *Journal of Management* 17:1, 155–171.
- Chrisman, J. (1999). The influence of outsider generated knowledge resources on venture creation. *Journal of Small Business Management* 37:4, 42–58.
- Churchill, N.C. & V.L. Lewis (1983). The five stages of small business growth. *Harvard Business Review* (May–June), 30–50.
- Collis, D.J. & C.A. Montgomery (1995). Competing on resources. *Harvard Business Review* (July–August), 71–83.
- Conner, K. (1991). A historical comparison of resource-based theory and five schools of thought within industrial organization economics: Do we have a new theory of the firm? *Journal of Management* 17:1, 121–154.
- Cooke, R. (1992). Human resource strategies for business success. In: *Strategies for Human Resource Management. A Total Business Approach*. Ed. M. Armstrong. London: Kogan Page Ltd.
- Curran, J. & J. Stanworth (1989). Education and training for enterprise: some problems of classification, evaluation, policy and research. *International Small Business Journal* 7:2, 11–22.
- Curran, J. & R. Blackburn (1994). *Small Firms and Local Economic Networks*. London: Paul Chapman Publishing.
- Daft, R. (1983). *Organization Theory and Design*. New York: West Publishing Company.
- Daily, C.M. & D.R. Dalton (1992). Financial performance of founder-managed versus professionally managed small corporations. *Journal of Small Business Management* 30:2, 25–35.
- Dalley, J. & B. Hamilton (2000). Knowledge, context and learning in the small business. *International Small Business Journal* 18:3, 51–59.
- De Kok, J. (2002). The Impact of firm-provided training on production. *International Small Business Journal* 20:3, 271–295.

- Dierickx, I. & K. Cool (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science* 35:12, 1504–1513.
- Droege, S.B. & J.M. Hoobler (2003). Employee turnover and tacit knowledge diffusion: A network perspective. *Journal of Managerial Issues* 15:1, 50–64.
- Eriksson, P. & H. Lehtimäki (1998). Strategic management of the local information society – a constructionist perspective on the production and evaluation of strategy documents. *Hallinnon tutkimus* 17:4, 290–301.
- Eskola, J. & J. Suoranta (1998). *Johdatus laadulliseen tutkimukseen*. Tampere: Vastapaino.
- European Commission (2002a). SMEs in Europe, including a first glance at EU candidate countries. *Observatory of European SMEs*. No 2. European Commission: Enterprise publications.
- European Commission (2002b). *SMEs in Focus. Main Results from the 2002 Observatory of European SMEs*. European Commission: Enterprise publications.
- European Commission (2003). Commission recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises. *Official Journal of European Union*, 20.5.2003 [cited 2003-12-30]. Available from internet: URL:http://europa.eu.int/comm/enterprise/enterprise_policy/sme_definition/index_en.htm.
- Fladmoe-Lindqvist K. & S. Tallman (1994). Resource-based strategy and competitive advantage among multinationals. *Advances in Strategic Management* 10 A, 45–72.
- Fombrun, C.J., N.M. Tichy & M.A. Devanna (1984). *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Gergen, K. (1994). *Realities and Relationships. Soundings in Social Construction*. Cambridge: Harvard University Press.
- Gibb, A. & J. Dyson (1984). Stimulating the growth of owner managed firms. In: *Success and Failure in Small Business*. Eds J. Lewis, J. Stanworth, J. & A. Gibb. Hampshire: Gower.
- Gibb, A. (1997). Small firm's training and competitiveness. Building upon the small business as a learning organisation. *International Small Business Journal* 15:3, 13–29.
- Gordon, E. (2000). *Skill Wars. Winning the Battle for Productivity and Profit*. Woburn: Butterworth-Heinemann.
- Graham, M. (1999). Human capital's measure for measure. *The Journal for Quality and Participation* 22:5, 28–31.

- Grant, R.M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review* (Spring 1991).
- Grant, R.M. (1996). Towards a knowledge-based theory of the firm. *Strategic Management Journal* 17, 109–122.
- Greiner, L.E. (1998). Evolution and revolution as organizations grow. *Harvard Business Review* (May–June), 55–67 [reprinted, *Harvard Business Review* (July–August) 1972].
- Hall, D.T. (1984). Human resource development and organizational effectiveness. In: *Strategic Human Resource Management*. Eds C.J. Fombrun, N.M. Tichy & M.A. Devanna. New York: John Wiley & Sons.
- Hall, R. (1993). A framework linking intangible resources and capabilities to sustainable competitive advantage. *Strategic Management Journal* 14, 607–618.
- Hamel G. & K. Prahalad (1994). *Competing for the future*. Boston: Harvard Business School Press.
- Hankinson, A. (2000). The key factors in the profiles of small firm owner-managers that influence business performance. The south coast small firms survey, 1997–2000. *Industrial and Commercial Training* 32:3, 94–100.
- Hardy, C., I. Palmer & N. Phillips (2000). Discourse as a strategic resource. *Human Relations* 53:9, 1227–1247.
- Hendry, C., M.B. Arthur & A. M. Jones (1991). Skill supply, training and development in the small-medium Enterprise. *International Small Business Journal* 10:1, 68–72.
- Hendry, C., M. B. Arthur & A. M. Jones (1995). *Strategy Through People. Adaptation and Learning in the Small-Medium Enterprise*. London: Routledge.
- Heneman, R.L., J.W. Tansky & S.M. Camp (2000). Human resource management practices in small and medium-sized enterprises: unanswered questions and future research perspectives. *Entrepreneurship Theory and Practice* 25:1, 11–26.
- Hill, R. & J. Stewart (2000). Human resource development in small organizations. *Journal of European Industrial Training* 24:2, 105–117.
- Hodgetts, R.M. & D.F. Kuratko (1985). *Effective Small Business Management*, 5th edition. New York Dryden Press.
- Hornsby, J.S. & D.F. Kuratko (1990). Human resource management in small business: critical issues for the 1990's. *Small Business Management* 29:3, 9–19.
- Hunt, J. (1991). *Leadership – a New Synthesis*. London: Sage.

- Hurst, D., J. Rush & R. White (2004). Top management teams and organizational renewal, In: *How Organizations Learn*, 499–524. Eds K. Starkey, S. Tempest & A. McKinlay. London: Thomson Learning.
- Hytti, U. (2003). *Stories of Entrepreneurs: Narrative Construction of Identities*. Turku School of Economics and Business Administration. Series A-1.
- Iles, P. & G. Salaman (1995). Recruitment, selection and assessment. In: *Human Resource Management. A Critical Text*, 203–233. Ed. J. Storey. London: International Thomson Business Press.
- Johansson, A.W. (1999) How can consultants advise SMEs? In: *Images of Entrepreneurship and Small Business. Emergent Swedish Contributions to Academic Research*, 141–164, Eds B. Johannisson & H. Landström Lund: Studentlitteratur.
- Jokinen, A. (1992). *Perheen kuvakulmat. Diskurssianalyysi perheenäidin puheesta*. Tampereen yliopisto, Sosiologian ja sosiaalipsykologian laitos, Tutkimuksia, Sarja A, Nro 24.
- Jokinen, A., K. Juhila & E. Suoninen (1993). *Diskurssianalyysin aakkoset*. Tampere: Vastapaino.
- Jokinen, A., K. Juhila & E. Suoninen (1999). *Diskurssianalyysi liikkeessä*. Tampere: Vastapaino.
- Katz, J.A., H.E. Aldrich, T.M. Welbourne & P.M. Williams (2000). Guest editor's comments. Special issue on human resource management and the SMEs: toward a new synthesis. *Entrepreneurship Theory and Practice* (Fall), 7–10.
- Kaye, B. & S. Jordan-Evans (2001). Retaining key employees. *Public Management* 83:1, 6–12.
- Keep, E. (1993). Corporate training strategies: the vital component? In: *New Perspectives on Human Resource Management*. Ed. J. Storey. New York: Routledge.
- Kerr, A. & M. McDougall (1999). The small business of developing people. *International Small Business Journal* 17:2, 65–74.
- Kochan, T. & L. Dyer (1995). HRM: an American view. In: *Human Resource Management. A Critical Text*, 332–351. Ed. J. Storey. London: International Thomson Business Press.
- Kolb, D.A. (1996). Management and the learning process. In: *How Organizations Learn*, 270–287. Ed. K. Starkey. London: International Thomson Business Press.
- Koskinen, A. (1996). *Pienyritysten kehityskaaret ja areenat*. Helsinki School of Economics and Business Administration A-116.

- Kyrö, H. (1999). *Suomalaisen lentokoneiteollisuuden sankarit ja konkarit. Osaamisen diskursiivinen rakentuminen*. Acta Electronica Universitat Tamperensis 9. Available from internet [cited 2002-10-9] <http://www.uta.fi>.
- Kyrö, P. (2004). *The Paradigm and Methodological Choices in Scientific Research*. Available from internet [cited 2004-11-05] <http://www.metodix.com>.
- Lado, A.A. & M.C. Wilson (1994). Human resource systems and sustained competitive advantage: a competency-based perspective. *Academy of Management Review* 19:4, 699–727.
- Lähteenmäki, S. (1995). *Mitä kuuluu – Kuka käskää? Yksilöllinen urakäyttäytyminen ja sitä ohjaavat tekijät suomalaisessa liiketoimintaympäristössä – vaihemallin mukainen tarkastelu*. Turku School of Economics and Business Administration: Series A-1.
- Lämsä, A.-M. (2003). Diskurssianalyysi empiirisen tutkimuksen näkökulmasta. Available from internet [cited 2003-09-20] <http://www.metodix.com>.
- Legge, K. (1995a). *Human Resource Management. Rhetorics and Realities*. London: McMillan.
- Legge, K. (1995b). HRM: Rhetoric, reality and hidden agenda. In: *Human Resource Management. A Critical Text*, 33–62 Ed. J. Storey. London: International Thomson Business Press.
- Lehtimäki, H. (2000). *Strategiatarina kaupungista ja sen toimijoista*. Acta Universitatis Tamperensis; 746. University of Tampere.
- Leonard-Barton, D. (1992). Core Capabilities and core rigidities: A paradox in managing new product development. *Strategic Management Journal* 13: 111–125.
- Lepak, David, P. & S.A. Snell (1999). The human resource architecture: Towards a theory of human capital allocation and development. *Academy of Management Review* 24:1, 31–48.
- Lewis J., J. Stanworth & A. Gibb (1984). *Success and Failure in Small Business*. Hampshire: Gower House.
- Luoma, M. (2000). *Human Resource Development as a Strategic Activity. A Single Component View of Strategic Human Resource Management*. Acta Wasaensia No. 77. University of Vaasa.
- Marshall, N.J., N. Alderman, C. Wong & A. Thwaites (1995). The impact of management training and development on small and medium-sized enterprises. *International Small Business Journal* 13:4, 73–90.

- Mayo, A. (2001). *The Human Value of the Enterprise*. London: Nicholas Brealey Publishing.
- McWilliams, A. & D. Smart (1995). The resource-based view of the firm. Does it go far enough in shedding the assumptions of the S-C-P paradigm? *Journal of Management Inquiry* 4:4, 309–318.
- Meek, V.L. (1992). Organizational culture: origins and weaknesses. In: *Human Resource Strategies*, 189–191. Ed. G. Salaman. London: Sage Publications.
- Megginson, D., J. Joy-Matthews & P. Banfield (1993). *Human Resource Development*. London: Kogan Page Ltd.
- Mehra, A. (1994). Strategic groups: A resource-based approach. *Journal of Socio-Economics* 23:4, 425–440.
- Miettinen, A. (2002). Informal innovation: the hidden role of small business. *Proceedings of the 2nd EDP*, Barcelona, Spain, 21–22 March.
- Miller, D. & J. Shamsie (1996). The resource-based view of the firm in two environments: The Hollywood film studios from 1936 to 1965. *Academy of Management Journal* 39:3, 519–543.
- Mitchell, T.R., B.C. Holtom, T.W. Lee & T. Graske (2001). How to keep your best employees: Developing an effective retention policy – executive commentary. *The Academy of Management Executive* 15:4, 96–109.
- Nadler, L. & Z. Nadler (1989). *Developing Human Resources*. San Francisco: Jossey-Bass Inc.
- Nonaka, I. & H. Takeuchi (1995). *The Knowledge-Creating Company*. New York: Oxford University Press.
- Nonaka, I. (1991). The knowledge-creating company. *Harvard Business Review* (November–December), 96–104.
- Nonaka, I. (1996). The knowledge-creating company. In: *How Organizations Learn*, 18–31. Ed. K. Starkey. London: International Thomson Business Press.
- Nonaka, I. (1998). The concept of “ba”: building a foundation for knowledge creation. *California management Review* 40:2, 40–54.
- Nonaka, I. (2004). A dynamic theory of organizational knowledge creation. In: *How Organizations Learn*, 165–201. Eds K. Starkey, S. Tempest & A. McKinlay. London: Thomson Learning.
- Nordhaug, O. (1993). *Human Capital in Organization Competence, Training and Learning*. New York: Oxford University Press.

- Odiome, G. S. (1984). *Strategic Management of Human Resources*. San Francisco: Jossey-Bass Publications.
- Olalla Forsas, M. (1999). The resource-based theory and human resources. *International Advances in Economic Research* 5:1, 84–93.
- Olearcek, P.F. (2001). Know the value of your key employees. *Franchising World* 33:6, 68–69.
- Oswick, C., T.W. Keenoy & D. Grand (2000). Discourse, organizations and organizing: concepts, objects and subjects. *Human Relations* 53:9, 1115–1123.
- Otala, L. & G. Ahonen. (2003). *Työhyvinvointi tuloksen tekijänä*. Ekonomia-sarja. Porvoo: WSOY.
- Parker, I. (1998). *Social Constructionism, Discourse and Realism*. London: Sage.
- Patton, D., S. Marlow & P. Hannon (2000). The relationship between training and small firm performance; research frameworks and lost quests. *International Small Business Journal* 19:1, 11–27.
- Peltonen, T. (1998). Narrative construction of expatriate experience and career cycle: discursive patterns in Finnish stories of international career. *The International Journal of Human Resource Management* 9:5.
- Peltonen, T. (2001). Strateginen henkilöstöjohtaminen organisaation määrittelykamppailussa. Analyysi henkilöstöjohtajien puheesta. *Hallinnon tutkimus* 3, 55–75.
- Peltonen, T. (2003). HRM, ambiguity and power: Shifts of authority and accountability in the Finnish personnel managers' interview discourse. A paper presented at *The 3rd Critical Management Studies Conference*, Lancaster, United Kingdom.
- Penrose, E. (1995). *The Theory of the Growth of the Firm*. [Reprinted: Penrose 1959.] Oxford: Oxford University Press.
- Peteraf, M.A. (1993). The cornerstones of competitive advantage: a resource-based view. *Strategic Management Journal* 14, 179–191.
- Pfeffer, J. (1994). *Competitive Advantage Through People*. Boston: Harvard Business School Press.
- Potter, J. & M. Wetherell (1987). *Discourse and Social Psychology, Beyond Attitudes and Behaviour*. London: Sage Publications.
- Potter, J. (1996). Discourse analysis and constructionist approaches: theoretical background. In: *Handbook of Qualitative Research Methods for Psychology and the Social Sciences*. Ed. J.T.E. Richardson. BPS Books quoted in A. Jokinen, K. Juhila & E. Suoninen (1999). *Diskurssianalyysi liikkeessä*. Tampere: Vastapaino.

- Priem, R. & J. Butler (2001). Is the resource-based 'view' a useful perspective for strategic management? *Academy of Management Review* 26:1, 22–40.
- Purcell, J. (1996). Corporate strategy and its link with human resource management strategy. In: *Human Resource Management. A Critical Text*. Ed. J. Storey. London: International Thomson Business Press.
- Rae, D. (2003). Practical theories from entrepreneur's stories: discursive approaches to entrepreneurial learning. A paper presented at *The 48th World Conference of International Council of Small Business*, Belfast, Northern Ireland, 15–18 June, published in conference proceedings [CD-ROM].
- Rangone, A. (1999). A resource-based approach to strategy analysis in small-medium sized enterprises. *Small Business Economics* 12, 233–248.
- Reed, R. & R.J. DeFillippi (1990). Causal ambiguity, barriers to imitation and sustainable competitive advantage. *Academy of Management Review* 15:1, 88–102.
- Riipinen, S.(2002). Konkarit kertovat tarinansa. *Fakta*, marraskuu 2002.
- Rothwell, S. (1995). Human resource planning. In: *Human Resource Management. A Critical Text*, 167–202. Ed. J. Storey. London: International Thomson Business Press.
- Rothwell, W.J. & H.C. Kazanas (1989). *Strategic Human Resource Development*. New Jersey: Prentice Hall.
- Routamaa, V. (1991). Human resource management in the context of strategic management. In: *Arenas of Strategic Thinking*. Ed. J. Näsi. Helsinki: Kp Snellman Oy.
- Russell, W.C. (1997). Human assets and management dilemmas: coping with hazards on the road to resource-based theory. *Human Resource Management* 22:2, 374–402.
- Saapunki, J. (1993). *Owner-Managers' Goal Orientation. An Analysis of Personal and Organizational Goals in Small Owner-managed Firms*. Licentiate Thesis: University of Vaasa.
- Sadler-Smith E., A. Sargeant & A. Dawson (1998). Higher level skills training and SMEs. *International Small Business Journal* 16:2, 84–94.
- Säntti, H. (2002). Apua, avainhenkilö erosi jo. *Talouselämä* 11.10.2002.
- Schein, E. (1992). Coming to a new awareness of organizational culture. In: *Human Resource Strategies*, 237–254. Ed. G. Salaman. London: Sage Publications.
- Schoebridge, N. (2000). Strategies for the Talent War. *BRW* 22:32, 10–14.

- Schuler, R.S. (1989). Strategic human resource management and Industrial Relations. *Human Relations* 42: 2, 157–184.
- Schultze, W. (1994). The two schools of thought in resource-based theory: definitions and implications for research. *Advances in Strategic Management*, 10A, 127–151.
- Schwandt, T.A. (1994). Constructivist, interpretivist approaches to human inquiry. In: *Handbook of Qualitative Research*. Eds N.K. Denzin & Y.S. Lincoln. London: Sage.
- Scullion, H. (1996). International human resource management. In: *Human Resource Management. A Critical Text*, 352–382. Ed. J. Storey. London: International Thomson Business Press.
- Senge, P. (1992). *The Fifth Discipline: the Art and Practice of the Learning Organization*. London: Random House.
- Senge, P. (1996). The leader's new work: building learning organizations. In: *How Organizations Learn*, 288–315. Ed. K. Starkey. London: International Thomson Business Press.
- Senge, P. (2004). The leader's new work: building learning organizations. In: *How Organizations Learn*, 462–486. Eds K. Starkey, S. Tempest & A. McKinlay. London: Thomson Learning.
- Silverman, D. (1993). *Interpreting Qualitative Data. Methods for Analysing Talk, Text and Interaction*. London: Sage Publications.
- Sisson, K. (1995). Human resource management and the personnel function. In: *Human Resource Management. A Critical Text*, 87–109. Ed. J. Storey. London: International Thomson Business Press.
- Smart, D. & M. Hitt (1994). A mid-range theory regarding the antecedents of restructuring types: An integration of agency, upper echelon and resource-based perspective. *Advances in Strategic Management* 10A, 159–186.
- Spender, J.C. (1994). Workplace knowledge as a competitive advantage. In: *Does Management Matter? – On Competencies and Competitive Advantage*. Eds J. Barney J., J.C. Spender & T. Reve. Malmö: Lund University.
- Storey, J. (1995). Human resource management: still marching on, or marching out? In: *Human Resource Management. A Critical Text*, 1–32. Ed. J. Storey. London: International Thomson Business Press.
- Suoninen, E. (1992). *Perheen kuvakulmat. Diskurssianalyysi perheenäidin puheesta*. Research Papers. Series A, Nr. 24. University of Tampere.

- Tansky, J.W. & R. Heneman (2003). Guest editor's note. *Human Resource Management* 42:4, 299–303.
- Thomson, K. (1992). Cultural strategies. Introduction. In: *Human Resource Strategies*, 189–191. Ed. G. Salaman. London: Sage Publications.
- Tuomi, L. (2002a). The key employees as a strategic resource-base for the SMEs. *Proceedings of the 2nd European Doctoral Programme – Workshop*, Barcelona, Spain, 21–22 March 2002, 353–378.
- Tuomi, L. (2002b). The key employees as a strategic resource-base for the SMEs – a discourse analytic research on the development of key employees. *Proceedings of the RENT XVI Conference*, Vol. 2, 61–80. Barcelona, Spain, 21–22 November.
- Tuomi, L. (2003a). Strategic human resource in SMEs – The identification and development of key employees. *Proceedings of the 18th Workshop on Strategic Human Resource Management*, Brussels, Belgium, 3–4 April.
- Tuomi, L. (2003b). The development of key employees in SMEs – a discourse analytic approach. A paper³³ presented at *The 48th World Conference of International Council of Small Business*, Belfast, Northern Ireland, 15–18 June, published in conference proceedings (CD-ROM).
- Tyson, S. (1995). *Human Resource Strategy. Towards a General Theory of Human Resource Management*. London: Pitman Publishing.
- Ulrich, D. (1997). *Human Resource Champions*. Boston, MA: Harvard Business School Press.
- Vanhala, S. & S. Lähteenmäki (1995). *Where is the Beef? Evaluation of the Concept and Measures of Strategic Human Resource Management*. Helsinki School of Economics and Business Administration. Working papers W-140.
- Varila, J. (1994). Henkilöstöstrategia työsi tukijaksi. In: *Henkilöstöstrategia ja uusiutuva organisaatio*. Ed. Varila, J. Helsinki: Painatuskeskus.
- Veciana, J.M. (1999). Entrepreneurship as a scientific research programme. (English translation). *Revista Europea de Direccion y Economia de la Empresa* 8:3.
- Welcomer, S.A., D.A. Gioia & M. Kilduff (2000). Resisting the discourse of modernity: Rationality versus emotion in hazardous waste siting. *Human Relations* 53:9, 1175–1206.

³³ The paper was rewarded at ICSB 48th World Conference as 'Best Paper Linking Theory and Practice' and as 'Best Paper in Tract T (Training, management and staff development for SMEs)'

- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal* 5, 171–180.
- Vesalainen, J. & V. Routamaa (1993). Henkilöstöresurssien johtaminen pienyrityksessä. In: *Uudistuva pienyritys*. Ed. I. Jahnukainen. Ekonomia-sarja. Jyväskylä: Weilin & Göös.
- Westhead, P & D. Storey (1996). Management training in small firm performance: why is the link so weak? *International Small Business Journal* 14:4, 13–24.
- Viitala, R. (2003). *Osaamisen johtaminen esimiestyössä*. Acta Wasaensia No. 109, University of Vaasa.
- Wright, P.M., G.C. McMahan & A. McWilliams (1994). Human resources and sustained competitive advantage: a resource-based perspective. *International Journal of Human Resource Management* 5:2, 301–326.

APPENDIX 1. The coding

The interviews are coded using the following coding system (Potter and Wetherell 1987):

(.)	a pause which is noticeable but too short to measure
(2)	a pause which is noticeable and measured in seconds
e::	an extension of the vowel
<u>word</u>	the emphasis
WORD	louder voice than the surrounding talk
.hh	an audible intake of breath
(word)	inaudible talk or there is a doubt about the accuracy
[word]	clarificatory information
°	a whisper

APPENDIX 2. Thematic interview

The following themes were discussed during the interview sessions:

First, open discussion about the object of the study in order to create an open climate for the interview.

- background information about the interviewee:
 - position
 - education
 - working experience

- The career history of the person (a short narrative is preferable)

- Discussion about the concept of 'key employee': how the person would define it

- How the person is developed during the working career, how in the present position

- What is the role of the personnel in the firm

- What kind of role has HRD in the firm

- How the person sees the near future (in three years' perspective) of the firm: what is the role of the personnel in the future