



Vaasan yliopisto
UNIVERSITY OF VAASA

Viitanen Petra

**Key factors and practices for supervisory success: A
strategic human resource management and
dynamic capabilities perspective**

Case study: A large Finnish stock-listed service company

School of Management
Master's thesis in Strategic
Business Development

Vaasa 2025

UNIVERSITY OF VAASA**School of Management**

Author:	Viitanen Petra
Title of the Thesis:	Key factors and practices for supervisory success: A strategic human resource management and dynamic capabilities perspective : Case study: A large Finnish stock-listed service company
Degree:	Master of Science in Economics and Business Administration
Programme:	Strategic Business Development
Supervisor:	Sniazhana Diduc
Year:	2025 Pages: 93

ABSTRACT:

Esihenkilötyöllä on merkittävä rooli yrityksen menestymisen ja kilpailukyvyn kannalta. Esihenkilörooli on moninainen, sisältäen niin henkilöstön, operatiivisen toiminnan kuin asiakastyön johtamista. Yrityksen strategiset painopisteet ja tavoitteet etenevät taso tasolta alaspäin, ja lopulta suurin vastuu myös strategian jalkauttamisesta on esihenkilöillä. Tämä nostaa keskiöön esihenkilöiden kyvykkyyden ja valmiuden toimia yrityksen menestymisen kannalta merkittävimmissä tehtävissä. Yhteiskuntaa ympäröivä globaalisti epävakaa ja dynaaminen toimintaympäristö haastaa esihenkilöitä uudella tavalla, mukaan lukien poliittisilla, taloudellisilla ja sosiaalisilla haasteilla sekä kriiseillä, kuten COVID-19 sekä Venäjän ja Ukrainan välinen hyökkäyssota. Myös liiketoiminta ja sen rakenteet on mukautettava muun muassa muuttuvaan kysyntään ja kustannuksiin muutosten seurauksena. Organisaatioiden selviytymisen kannalta dynaamiset valmiudet (DC) ovatkin elintärkeitä, ja esihenkilöt ovat keskeisessä roolissa näiden valmiuksien edistämisessä. Dynaamiset valmiudet koostuvat kyvystä tunnistaa, mukautua, uudistua ja oppia. Strateginen henkilöstöjohtaminen (SHRM) nousee tässä ratkaisevaan rooliin tukien suoriutumista ja dynaamisten valmiuksien vahvistamista. Strateginen henkilöstöjohtaminen vahvistaa yrityksen pitkäaikaisen menestyksen edellyttämiä valmiuksia ja kykyjä henkilöstöjohtamisen käytäntöjen kautta ja kasvattaa esihenkilöiden myötä yrityksen kilpailukykyä muuttuvilla markkinoilla.

Vaikka dynaamisten valmiuksien ja strategisen henkilöstöjohtamisen välillä tunnistetaan olevan yhteyksiä, on niitä tutkittu vielä melko vähän. Tämän lisäksi erityisesti dynaamisten kyvykkyyksien ja strategisen henkilöstöjohtamisen välisestä suhteesta ei ole onnistuttu löytämään selkeitä mekanismeja, jotka johtavat yrityksen suoriutumiseen ja menestykseen. Tämän tutkimuksen tavoitteena on täydentää tutkimusaukkoa etsimällä mekanismeja näiden kahden käsitteen välillä. Lisäksi tutkimuksessa pyritään löytämään esihenkilötyössä menestymisen kannalta olennaisia strategisen henkilöstöjohtamisen käytäntöjä sekä tunnistamaan organisaatiotasolla tekijät, joilla voidaan tukea esihenkilöitä menestymään rooleissaan.

Tutkimus toteutettiin yksittäisenä tapaustutkimuksena suureen suomalaiseen palveluyritykseen. Tulokset pohjautuvat teemahaastatteluihin, joihin osallistui eri tason esihenkilöitä sekä henkilöstöhallinnon edustajia. Tutkimuksessa hyödynnettiin myös sisäisiä materiaaleja ja havainnointia tiedonlähteinä. Tulokset osoittavat, että dynaamisten valmiuksien ja strategisen henkilöstöjohtamisen välinen mekanismi löytyy osaamisen kehittämisestä, johtaen monitaitoiseen ja joustavaan työvoimaan, ja näin mahdollistaen organisaation nopean muuntautumiskyvykkyyden. Esihenkilö menestyy dynaamisessa toimintaympäristössä, kun organisaatio keskittyy strategisen henkilöstöjohtamisen käytännöissä suorituksen ja osaamisen johtamiseen, ja tukee sujuvaa työskentelyä ketterillä ja selkeillä yritysrakenteilla, prosesseilla ja roolivastuilla.

KEYWORDS: Supervisors, Managerial work, Dynamic capabilities, Human resource management, Strategic management, Competence management, Performance management

Contents

1	Introduction	6
1.1	Background of the study	6
1.2	Research gap	8
1.3	Research questions and objectives	9
1.4	Structure of the study	12
2	Theoretical background	14
2.1	Strategic Human Resources Management (SHRM)	14
2.1.1	History and concept of SHRM	14
2.1.2	HR system, HR practices and SHRM practices	19
2.1.3	Synergies between SHRM and DC	22
2.2	Dynamic Capabilities (DC)	24
2.2.1	History and concept of DC	24
2.2.2	DC leading to organizational performance through supervisors and employees	26
2.3	Supervision and supervisory work	28
2.3.1	Role of supervisors, significance and challenges	28
2.3.2	HR practices supporting supervisory work and success	30
2.4	Theoretical framework for the study	32
3	Methodology	35
3.1	Research philosophy and approach	36
3.2	The case company and sample of the research	37
3.3	Research method and strategy	39
3.4	Data collection	41
3.5	Data analysis	46
3.6	The assessment of the quality of the data	48
4	Findings	50
4.1	Description of the landscape of the organization	50

4.1.1	The role of the supervisor and its main challenges	52
4.2	Synergies between SHRM and DC	54
4.3	Critical SHRM practices supporting supervisory work	57
4.3.1	Performance management	58
4.3.2	Competence management and development	60
4.3.3	Information Management and Selection in the recruitment process	64
4.4	A vision of future's supervisory work and required organizational support	66
4.5	Summary of the key findings and the revised framework	70
4.5.1	Strategic human resource management practices	71
4.5.2	Synergies between SHRM and DC	73
4.5.3	Organization contributing success of the supervisors	74
5	Discussion and conclusions	75
5.1	Theoretical contribution	76
5.1.1	Synergies between SHRM and DC drives the competitiveness of the company	77
5.1.2	Key SHRM practices for supervisory work focuses on performance and competence management	78
5.1.3	The organization creates the prerequisites for success in supervisory work	80
5.2	Managerial implications	82
5.3	Limitations and suggestions for future research	83
	References	84
	Appendices	90
	Appendix 1. Interview frame A	90
	Appendix 2. Interview frame B	92

Figures

Figure 1. Overview of the behavioral perspective (Jackson, 2013)	18
Figure 2. The HR System (Armstrong & Taylor, 2017, p. 30)	19
Figure 3. Synergy of strategy, HR practices and performance (Armstrong & Taylor, 2017, p. 63, based on Paauwe, 2004)	21
Figure 4. Framework of HRM dynamic capabilities (Apascaritei & Elvira, 2022)	23
Figure 5. Overview of Dynamic Capabilities by Shiferaw & Kero (2024), adopted from Teece (2018)	26
Figure 6. Illustration of the theoretical framework of the study	33
Figure 7. Research Onion (Saunders et al., 2007, p.102)	35
Figure 8. Managerial suggestions of the study	83

Tables

Table 1. Summary of interview details	45
Table 2. Example of categorization of the findings	48
Table 3. Findings of the role of the supervisor	71
Table 4. Findings of the critical SHRM practices	72
Table 5. Findings of the synergy between SHRM and DC	73
Table 6. Findings of the organizational factors supporting supervisors	74

1 Introduction

1.1 Background of the study

Supervisory work, leadership and management are seen as a critical factor to the company's performance, as well is the strategic human resources management (SHRM), while at the same time these functions are required to adapt to the changing environment (Chadwick et al., 2015; Garavan et al., 2016; Mitchell et al., 2021; Richard & Johnson, 2001). During these many changes in the dynamic environment, such as global political and economic situations, technology transformation and market distortions, an organization's ability to perform and gain competitive advantage requires dynamic capabilities (Garavan et al., 2016; Mitchell et al., 2021). This poses challenges to supervisory work, such as manage complexity and uncertainty, so-called VUCA environment including volatility, uncertainty, complexity and ambiguity (Esenyel, 2024). Supervisors also faces challenges managing hybrid and remote work (Bellis et al., 2024), maintaining and increasing resilience (Zahari et al., 2023) and fighting against resistance to change (Khaw et al., 2022). Based on these presented challenges, situation requires organizations to provide support to supervisors to success in this dynamic environment.

Although an important link has been identified in the studies between SHRM, dynamic capabilities (DC) and performance, at the same time mechanisms seems to be unclear and overlooked (Apascaritei & Elvira, 2022; Chadwick et al., 2015; Mitchell et al., 2021; YuLing et al., 2023). Additionally, both YuLing et al. (2023) and Apascaritei & Elvira (2022) are stating the "black box" when speaking about the unclarity of the mechanisms and theoretical background in the relationship between SHRM and firm performance. However, strategic human resource management is seen as an important resource for the success of an organization and multiple studies shows that it has positive effects on the performance of the organization, competitive advantage, efficiency, employee well-being and engagement (Lin & Shih, 2008; YuLing et al., 2023). According to several authors strategic human resources management emphasizes the synergy between human

resources management strategies and organization's strategy (Apascaritei & Elvira, 2022; Lengnick-Hall et al., 2011; YuLing et al., 2023). Human resources management includes HR principles and HR practices, and together the whole can be seen as an HR System to direct actions towards common strategic goals (Apascaritei & Elvira, 2022; Lengnick-Hall et al., 2011; YuLing et al., 2023). An organization with a clear and strong HR system communicates intelligibly, conveys the right signals, and thus ensures that every employee understands what is expected of them and it leads to employees doing well and succeeding in their work (Lengnick-Hall et al., 2011).

In the last few years, there has been unprecedented variation of times in worldwide, inflicting many changes and disruptions, advances in technology and sustainability requirements, as well social, political, and economical challenges. Dynamic capabilities, which is later abbreviated in the text as DC, are determined as how company is able to renew itself and meet these demands of a changing environment and create competitive advantage (Teece, 2007). According to Prahalad & Hamel (1990) in long term, the key to competitive advantage is exactly that company is competent to adapt quickly, and be able to change and develop their technology, production, costs, management and so on. When DC plays a significant strategic role in the organization's ability to adapt to the rapidly changing demands of the environment, which raises tensions and needs for change capability in the organization, emphasizing the importance of strategic human resource management's role creating resilience is clearly raising (Apascaritei & Elvira, 2022).

When the whole organization is needed to reach strategic goals of the organization, and multiple levels of management are in a significant role for implementing strategic actions, including HR practices (Garavan et al., 2016), we can see the meaning of supervisory work and its capability to adapt and renew itself to answer the current situation at the dominant environment. The one role of the human resources management is to guide and ensure the development of the supervisory work which can be seen also as a big challenge in human resources management (Helsilä & Salojärvi, 2009, p. 97). Connecting

human resources management and dynamic capabilities together and utilizing its contributions, organizations would be able to get strategic agility and capability to success in the rapidly changing environment (Apascaritei & Elvira, 2022).

1.2 Research gap

Human resources management (HRM) is a deeply and breaded studied discipline, but connection between Strategic Human Resources (SHRM) and Dynamic Capabilities (DC) is not (Apascaritei & Elvira, 2022). YuLing et al. (2023) states that there are multiple research gaps in strategic human resources management and dynamic capabilities, and one of these are the lack of information which mechanisms in SHRM and DC leads to firm performance. Based on many authors, it can be clearly said that dynamic capability is vital to the success of organizations today and strategic human resources management plays an important role gaining competitive advantage and achieving strategic goals, while at the same time all of these aspects has significant role on firms' performance (Apascaritei & Elvira, 2022; Garavan et al., 2016; Lengnick-Hall et al., 2011; Mitchell et al., 2021; Yu-Ping Wang et al., 2012). Although this significant connection has been established, the mechanisms and actions in SHRM and DC are still unclear in theoretical concept (Apascaritei & Elvira, 2022; Chadwick et al., 2015; Mitchell et al., 2021).

In history, research on SHRM is often focused on resource-based-view (RBV) theory, which emphasizes the critical role of resources and its capabilities, but is based on the idea that the operating environment is stable and unchanging, although in reality today most companies operate at a very high level in a dynamic environment (Apascaritei & Elvira, 2022; Garavan et al., 2016). Moreover, Strategy research have stated a lot of the top management's role in strategic actions, which naturally has significant impact on how strategic decisions are managed as well how the employees are managed, communicated and committed to the organization's goals (e.g., Chadwick et al., 2015; Lin & Shih, 2008). However, the great responsibility for implementation falls to several levels of the organization, to supervisors and employees (Chadwick et al., 2015). Thus, significance of

loyalty to supervision and overall supervisory work has an even greater value for organizational performance (Chadwick et al., 2015). Additionally, Lin & Shih (2008) emphasize the importance of collecting data from different sources and levels of organization, which could promote the creation of a model of these links.

According to Apascaritei & Elvira (2022) synergy between strategic human resources management and dynamic capabilities requires more deeply qualitative research to support quantitative studies. They also state that to get more understanding of how organizational adaptability is built, deployed and how it affects both internal and external factors requires also more studies. Additionally, YuLing et al. (2023), Boxall & Purcell (2022) and Ntambu & Loang (2022) evaluates that SHRM still needs more empirical studies to explain SHRM's affects to firm's performance. Strategic human resource management plays a significant role in the success of the company, but it does not seem to have a proper theoretical background (YuLing et al.,2023). In recent years, has increasingly begun to study the synergy between DC theory and SHRM, in addition to resource-based theory (YuLing et al.,2023). The gap is partly result of difficult definition of dynamism, and on the other hand strong linking of SHRM to above mentioned RBV theory, which is based more on a stable operating environment, while nowadays most companies operate in a very dynamic market situation (Garavan et al., 2016). However, the research is not relevant only to find out the proper theoretical background and mechanisms in it, but also to contribute the logic between SHRM and DC, and how it affects development of personnel, and, on the other hand, to deepen understanding DC's role in supervision and challenges in it (Apascaritei & Elvira, 2022).

1.3 Research questions and objectives

This study aims to examine how organizations can support supervisory work by leveraging strategic human resources management and dynamic capabilities. By identifying the pain points of supervisory work in a dynamic, changing operational environment and identifying key factors for the success of supervisory work, study aims to find significant processes and mechanisms by which an organization can support supervisors through

strategic human resource management. Additionally, the purpose of this study is to fill the research gaps mentioned in chapter 1.2. and tap into this research opportunity by answering the following research questions:

What are the synergies between Strategic Human Resources Management (SHRM) and Dynamic Capabilities (DC) in terms of performance?

What SHRM practices are most influential in supporting supervisors to success and performance?

How to support the emergence of dynamic capabilities of supervisors and success in their role at an organizational level?

To deepen understanding, find and explain reasons and mechanisms and to provide solutions to this challenge between strategic human resources management, dynamic capabilities and challenges in supervisory work, this study is conducted as a qualitative single case study in a large Finnish stock-listed company, which operates in a highly competitive and cyclically sensitive service business. Case data about the company and the problem is collected primarily by interviewing, but also secondarily by using various internal materials.

The case company employs altogether 8,000 people and consists of a few different business areas. Due to sufficient delimitation, this study focuses on one business unit considering about 1000 employees, inside the bigger business area considering altogether about 4000 employees. Specifically, the business unit in question was selected as the subject of the study, due to changes in the market situation, and thus in the demand for services in this unit have caused strong reorganization and cultural change several times over the past few years, as well as adaptation of roles, structures and operating models. As a result, the organization has had to adapt with their strategy and operations, which

has also been strongly associated with human resources and human resource management. Drawing from these experiences, the case company offers valuable insights to this topic and offers the possibility to answer the research questions.

According to Garavan et al. (2016) Dynamic Capabilities has a huge, particularly significant impact on human resources management and strategy. Chadwick et al. (2015) exposes that “there is great value in improving our understanding about how managers consciously contribute to the development of strategic resources”, while Lin & Shih (2008) states that “executive SHRM systems are directly related to strategic decision makers and thus may produce relatively extensive effects on firm strategic and financial results”. In the study by Lin & Shih (2008) considering SHRM and Top management team (TMT) is said that there is only few research, which have studied SHRM and how it brings advantage in environment, which is highly competed. Moreover, Helfat et al. (2007) states that studying more dynamic capabilities and its synergies to different disciplines, would bring significant perceptivity, while Garavan et al. (2016) emphasizes to deepen our understanding of how strategic human resources management contributes to the competitive advantage and thus performance, if we looked more closely dynamic capabilities. The perspective of dynamic capabilities (DC) clarifies that under conditions of environmental dynamism, SHRM must continuously renew its capabilities to enhance organizational performance (Garavan et al., 2016). Based on this information, the topic of this study is very significant and needs more in-depth research.

Therefore, this study contributes to literature by giving recent up-to-date information about strategic human resources management in several managerial levels and insights in the context of many changes in the market, operational environment and business operations, and additionally in highly competitive market of service business. The research can also potentially be used to find the missing theoretical background, key mechanisms or research challenges under the theoretical framework of vision. Third, the study expands the perspective, which allows to get broader view from different levels of organization from HR department and top, middle and lower management.

To address the research questions posed in this study, the following objectives have been defined. First literature review and theoretical analysis is presented where the initial purpose is to conduct a comprehensive review and analysis of existing literature, research, and theoretical frameworks relevant to the selected area of the study. This includes an in-depth exploration of research within areas such as strategic human resources management, dynamic capabilities and supervisory work. The second objective focuses on the collection of empirical data necessary to answer research questions. This involves the systematic collection of data through appropriate research methodologies. The third objective is concerned with the detailed presentation, analysis, and evaluation of the collected data. This phase covers also a careful examination of the data for insights. The final objective is to compare and combine the empirical findings with the theoretical framework established earlier in the study. This comparison will facilitate the formulation of conclusions and the proposal of recommendations for future research.

1.4 Structure of the study

The structure of this thesis is designed to be coherent and accessible, facilitating ease of comprehension for the reader. The study is organized into five chapters in accordance with the above-mentioned objectives. The first chapter establishes the foundation of the study by introducing the research topic, identifying the existing research gap, and articulating the research question and objectives. Additionally, this chapter outlines the structure of the thesis. The second chapter is dedicated to understanding the theoretical framework through a comprehensive literature review. This chapter presents the relevant concepts in the areas of strategic human resources management, dynamic capabilities and supervisory work. The third chapter provides a detailed explanation of the study's methodology. It covers the research philosophy and approach, research strategy and methods, as well as the processes for data collection and analysis. A description of the case company under this study is also presented in this third chapter. The fourth chapter is created with the presentation of the collected data and describing the key findings of the study. The fifth and final chapter integrates the findings with the

theoretical framework established earlier in the thesis, concludes the research, and offers recommendations for future studies.

2 Theoretical background

This section discusses the theoretical background of the study to support the empirical section. The section focuses on the concepts of strategic human resource management, dynamic capabilities and supervisory work. Specifically, this chapter aims to explore the synergy and mechanisms between strategic human resources management and dynamic capabilities influencing the success and performance of supervisory work leading in the end to organizational performance. The focus is to deepen understanding of theories and research data relevant to this study, to find connections, and to background the problem of research questions. This literature review emphasizes the relevance of supervisors as critical asset for the performance of the entire company.

2.1 Strategic Human Resources Management (SHRM)

In this section, we will explain the concept of SHRM and how it contributes to organizational success. We also discuss how HR practices support supervisory work and thus the whole organization. The purpose of this section is to set the stage to discuss synergies between SHRM and DC in fostering supervisory success from SHRM perspective.

2.1.1 History and concept of SHRM

According to Helsilä & Salojärvi (2009, p. 23) human resource management (HRM) is an area of management that can be found in every workplace, the appointment has only changed shape, and it was designated as a sub-area of its own after World War II, in the 1950s by U.S. companies. The concept of human resource management has begun to develop especially in the 1970s, when it was seen more as an administrative role and supervisors were very far from this administrative process (Helsilä & Salojärvi, 2009, pp. 14-15). In the 1980s and 1990s, the concept of human resource management began to develop, with emphasis on the role of supervisors, considering also strategic point of view (Helsilä & Salojärvi, 2009, p. 15). They also state that the concept of strategic human resource management was initiated by the Harvard Business School and the University

of Michigan researchers in the 1980s (p. 15). According to Helsilä & Salojärvi (2009, p. 15) the concept was based on the idea that a company cannot operate competitively if it relies only on the external environment and its analysis, but that the most important foundation of the company's strategy should be the personnel and its know-how. Thus, the strategic concept was completely reversed: the strategy is created and determined based on resources, rather than resources based on strategy (Helsilä & Salojärvi, 2009, p. 15).

Even more specifically, according to Uysal (2019) the concept of SHRM was first defined by Devanna, Tichy and Fonburn in year 1981 and 1984, when they combined human resources management to organizational strategic management in their framework. According to the same author first definition described how HRM contributes to strategic management in the firm-level. Second definition of SHRM came from Wright and McMahan in year 1992 which developed to emphasize relationship between human resources management and firm performance, especially how HRM innovations enables and increases firm performance (Uysal, 2019). In the same study Uysal (2019) presents the third definition of SHRM, which focuses on HRM to improve firm performance through HR systems, which are highly developed to support individual, employee performance.

Term strategy itself has many definitions. Collis & Rukstad (2008) defines strategy as a long-term gaming plan of business, where business objectives, areas and desired goals are defined. While Porter (1996) defines strategy as doing business in the different way than rivals, standing out in the market, creating value and gaining competitive advantage with it. Overall, strategy approaches have focused more on external factors in the early years of research, until in 1990s, when strategy research started to change towards internal perspective (Helsilä & Salojärvi, 2009, pp. 24-25). Theories about resource-based view (Barney, 1991) and competence-based theory (Hamel & Prahalad, 1990) developed with emphasis on company's competitive advantage from the perspective of human resources and the development of their capabilities (Helsilä & Salojärvi, 2009, pp. 24-25).

Therefore, Helsilä & Salojärvi (2009, p. 25) poses that the beginning of the era of strategic human resource management was in 1990s.

While the concept of human resource management can be seen as all the actions related to how people are treated, managed, developed and employed in the organization (Armstrong & Taylor, 2017, p. 4), strategic human resource management incorporate all of this into company's business strategy to support achieving the goals (Armstrong & Taylor, 2017, p. 14; Helsilä & Salojärvi, 2009, p. 25-26). Uysal (2019) states that HRM can be seen as functional, while SHRM can be seen as strategic. According to Boon et al. (2018) many studies on both the strategy research and the human resource management research identify that people, human capital are in a significant role for firm performance. The concept and the role of strategic human resource management has been opened in the literature in the following quotations:

"Achieving competitive advantage through human resources requires that these activities be managed from a strategic perspective" (Lengnick-Hall & Lengnick-Hall, 1988).

"...the pattern of planned HR deployments and activities intended to enable an organization to achieve goals" (Wright & McMahan, 1992).

"...strategic human capital leveraging is deemed as the HRM practices focusing on developing both higher level and inimitable human capital that is best aligned with firms' strategic needs" (Wang et al., 2012).

"Strategic human resources management is a field of study that focuses on the integration of human resources management strategies with the overall strategic objectives of an organization. It involves a proactive approach to human resources management that aligns HR practices with organizational goals, values, and culture to create a competitive advantage." (YuLing Et al., 2023)

SHRM literature often highlights two theories when processing human resources perspective to gain a competitive advantage: already mentioned **resource-based view (RBV)** and behavioral theory. Basing on the RBV theory by Barney (1991), company can gain competitive advantage over time with value, rareness, imitability and substitutability. The theory emerged to represent a different understanding of how business environment is analyzed in the 1990s (Barney, 1991). According to RBV theory by Barney (1991), at the strategy level, it is not only possible to assess external environmental threats and opportunities, assuming that resources are heterogeneous in terms of resources and development needs, and easily transferable within the industry. RBV theory emphasizes the company's internal analysis from the point of view of strengths and weaknesses to respond to competitiveness (Barney, 1991).

Resources are seen as valuable to a company's success (Barney, 1991) and during history and different authors, there have been defined different kind of resources. Barney (1991) separates resources in three category: physical capital resources, human capital resources and organizational capital resources. While Brumagim (1994) presented resources on a hierarchy-based basis at four different levels: Production/maintenance resources, Administrative resources, Organizational learning resources and Strategic vision resources. Additionally, resources can be separated to tangible resources such as financial, physical, technological and organizational, as well to intangible resources such as humans, innovation and reputation (Madhani, 2010).

While RBV theory focuses on resources and their dignity, rarity, and inimitability, **behavioral theory** focuses more on how to guide resources from an organizational level to behave in a certain way in order to gain a competitive advantage (Sajeevanie, 2015). Behavioral theory helps us to understand how firms differ by managing their employees and thereby affecting the efficiency and success of the organization (Jackson, 2013). Jackson (2013) also states that framework of behavioral theory in HRM analyzes management policies and practices and their relationships to other functions of organization.

When behavioral theory was first presented it focused on creating “best practices” that managers should adapt to, until it changed over the years to perspective that there is no one way to manage people, so “best practices” have to fit to the specific needs of organization (Jackson, 2013). Behavioral perspective of HRM is interested in “how work gets done”, not only “what work gets done” (Jackson, 2013). Additionally, during the evolution of behavioral perspective was also distinguished the difference between “employee role behaviors”, which describe desired, specific actions and behaviors what the role requires in order for the organization to achieve advantage in the long term, from the single and general “employee behaviors” (Jackson, 2013). Based on Jackson (2013) by combining these “best practices” and “desired behaviors” with human resource management, it leads to an HR system consisting of HR polices and practices. Figure 1 in the below describes the overall view of behavioral perspective, and relationships between HRM system, desired behaviors and stakeholder responses considering internal and external conditions.

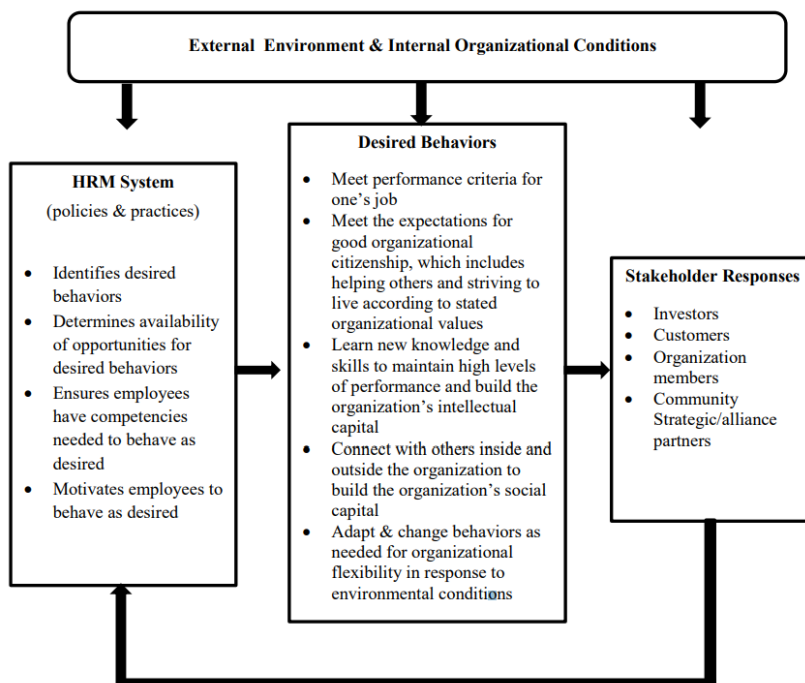


Figure 1. Overview of the behavioral perspective (Jackson, 2013)

2.1.2 HR system, HR practices and SHRM practices

The overall HR architecture can be seen as combination of HR system and processes, including policies and practices, as well as organizational structure and behaviors of employees (Armstrong & Taylor, 2017, pp. 29-31). They also state that the role of the HR system is to support the goals of HR by directing people in the right direction through HR activities and practices, as well as set the values and philosophies to how people are managed (pp. 29-31). Based on these authors Armstrong & Taylor (2017, pp. 29-31) the HR system can be also viewed from three perspectives:

1. **HR strategies**, which sets the main direction of different key HR areas.
2. **HR policies**, which tells what the purpose of the HR function is and how HR areas should be led into practice.
3. **HR practices**, which can be seen as a bundle of different kind of HR activities.

Figure 2 below shows the many dimensions of the HR system, including different areas of HR activities, forming HR practices.

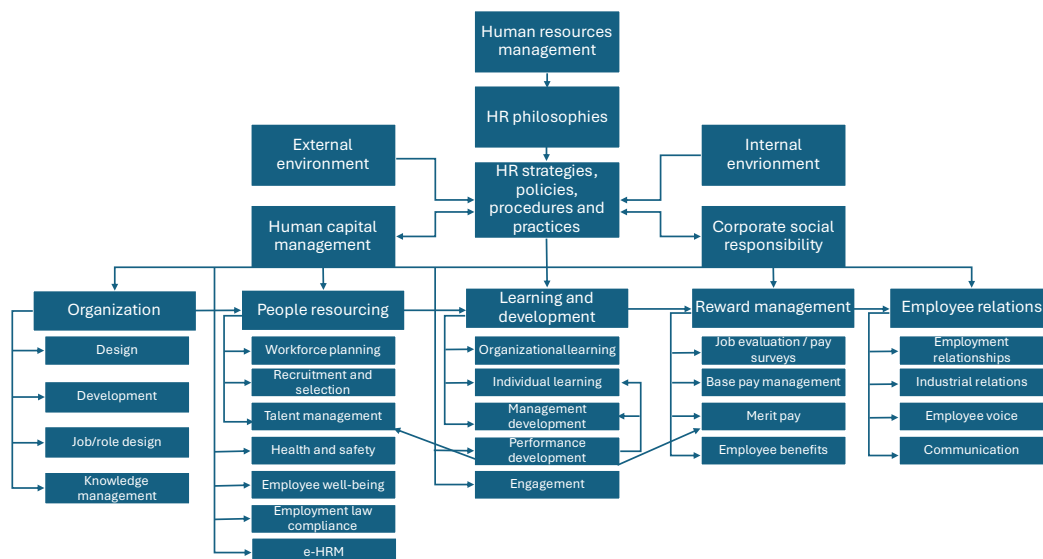


Figure 2. The HR System (Armstrong & Taylor, 2017, p. 30)

Jackson (2013) describes HR system as follows: “An effective HRM system guides employee behaviors toward desired behaviors by providing opportunities for employees to engage in the behaviors needed, ensuring employees have the competencies required to engage in those behaviors, and motivating employees to behave as needed”. The link to the performance of the organization and the supervisors is strongly related to the strength of the HR system, but the challenge is that the implementation of HR activities is almost entirely the responsibility of the supervisors (Armstrong & Taylor, 2017, p. 53-54). This challenge can be tackled by bringing out the benefits of the practices, involving supervisors to development work and piloting, keeping it simple as possible and communicating expectations clearly, as well as providing support and guidance to implementation (Armstrong & Taylor, 2017, pp. 53-54).

Based on the literature (e.g., Apascaritei & Elvira, 2022; Armstrong & Taylor, 2017, p. 30; Boon et al., 2018; Guest, 1997; Helsilä & Salojärvi, 2009, p. 91; Venkataiah, 2014) HR practices are defined to include all the stages in the lifecycle of employment: resourcing, recruitment, selection, job design, training and development, performance evaluation and rewards, and statutory employment-related activities. Additionally, part of the literature emphasizes also communication, employee involvement, team work, security and well-being in HR practices (Apascaritei & Elvira, 2022; Guest, 1997). At the end, through HR practices organizations are pursuing high firm performance through employee commitment and motivation, quality and cooperation, flexibility and involvement as well as organizational citizenship (Guest, 1997). In the Figure 3 below, is presented the whole impacts of strategy and HR practices throughout the chain by Armstrong & Taylor (2017, p. 63).

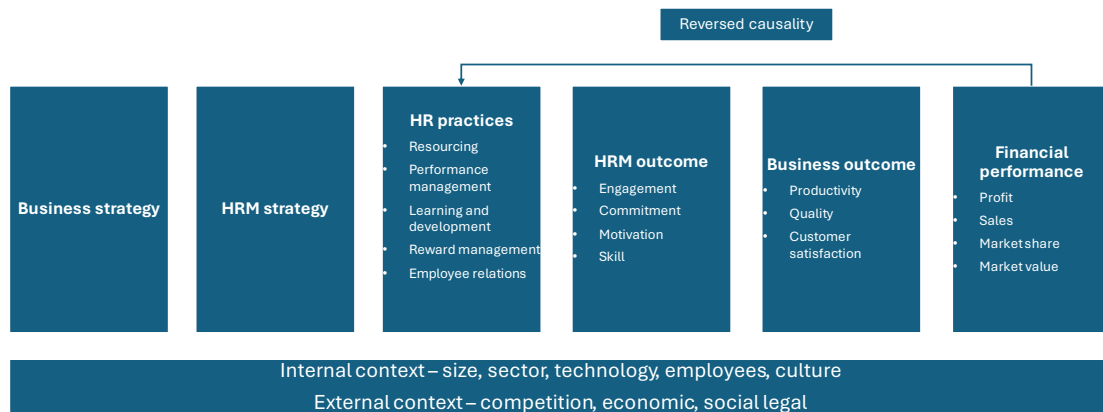


Figure 3. Synergy of strategy, HR practices and performance (Armstrong & Taylor, 2017, p. 63, based on Paauwe, 2004)

According to Uysal (2019) individuals play a key role in the organization's performance, and this is based on the estimation that the individual is responsible for the tasks that contribute to the performance of the tasks and thus the performance of the whole department, and the performance of the departments affects up to the performance of the whole company. HR practices, such as compensation practices, promotion practices, performance evaluation and perceived employee performance can be seen as an enabler of employee performance (Venkataiah, 2014), which leads to organizational performance (Uysal, 2019). With great responsibility of the supervisors to implement the HR practices, supervisors can be seen to be a highly critical factor in the overall performance of the organization (Armstrong & Taylor, 2017, p. 53-54; Chadwick et al., 2015), and when supervisory work fails, we can see major disadvantages for the entire business.

However, it is important to distinguish that there are two ways of separating practices in human resource management. There are **HR practices** that create a strong foundation, in addition to which there are **strategic HR practices** that can be linked to the company's

strategic goals (Helsilä & Salojärvi, 2009, p. 91). To be more specific, Helsilä & Salojärvi (2009, p. 91) suggest, that well-being at work and employment issues are basic practices, while recruitment, competence development and performance management can also be strategic practices, bringing added value to the implementation of the strategy.

2.1.3 Synergies between SHRM and DC

Strategic human resources management (SHRM) has been studied to indicate the development of the firms' strategic capabilities in today's dynamic environment (e.g., Apascaritei & Elvira, 2022; Wang et al., 2012). At the same time rapidly changing market requires all the internal processes, including the whole HR system to adapt and renew itself constantly (Ketkar & Sett, 2009). Regrettably, in the current market situation, the ability to adapt to the environment often also means reorganization, which can lead to workforce reductions and layoffs, and hence to insecurities and disengagement, as well as loss of valuable resources (Wang et al., 2012). As a result, the attention and inclusion of HR practices, for example in the context of reorganizations and other tensions, is significant to minimize negative impacts (Wang et al., 2012). Thus, this dynamic environment and highly competitive industries requires HR flexibility from the HR functions (Ketkar & Sett, 2009). According to Ketkar & Sett (2009) through this HR flexibility connected to strategic human resources management practices, it is possible for the company to achieve dynamic capabilities. HR flexibility can be analyzed from the point of view of skill flexibility, behavioral flexibility and HR practices flexibility, through which the ability of the entire organization to adapt to the demands of the environment can be developed (Ketkar & Sett, 2009).

Lengnick-Hall et al. (2011) presents that through strategic human resources management organization can increase their resilience to respond to surprises and changes, and only flexible and dynamic organizations will success. Strategic human resource management and dynamic capabilities is known to have connections specifically with organizational ambidexterity, learning capacity and HR flexibility (Apascaritei & Elvira, 2022). As

previously noted in the introduction section, the connections between SHRM and DC have been less researched and the mechanisms have been difficult to find. Apascaritei & Elvira (2022) have created a framework that combines SHRM and DC literature and aims to explain how HR practices can support building DC, and how DC contributes to issues such as resource and function in change needs, employee well-being and performance. In the center of the framework (Figure 4) is the so-called “HRM Dynamic Capabilities”, which includes phases of building knowledge, integrating sociality and reconfiguration enhancing.

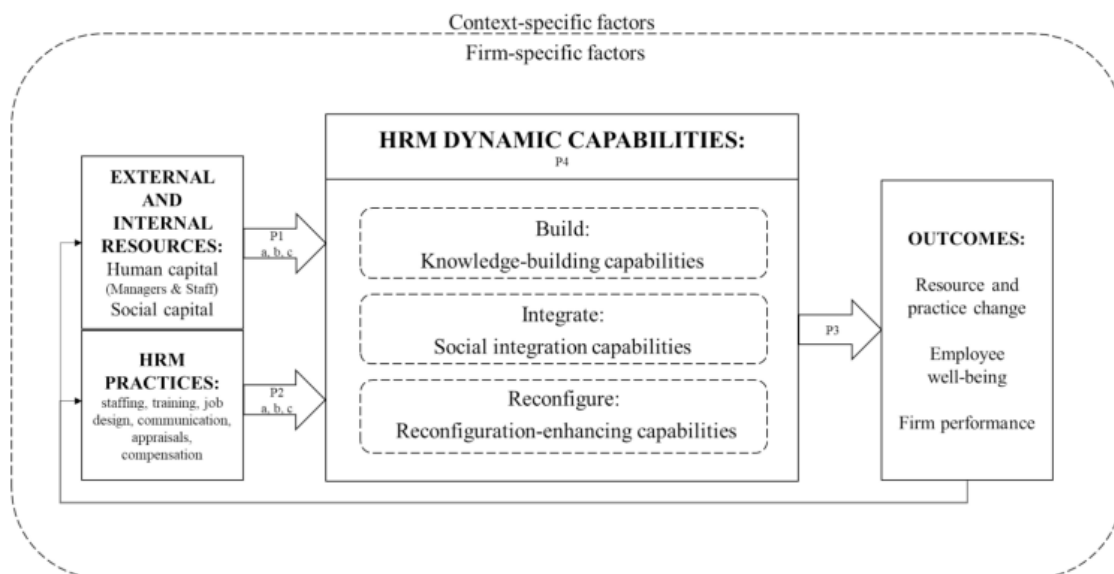


Figure 4. Framework of HRM dynamic capabilities (Apascaritei & Elvira, 2022)

In this framework by Apascaritei & Elvira (2022) in **knowledge-building capabilities** the role of managers in leadership is seen as very significant, because through their actions the development takes place in the workforce they lead. Through this the managers influence the development of the capabilities of the entire organization. However, Apascaritei & Elvira describes (2022) that this often requires support from the HR system and HR practices, but can lead to right employee motivation, evaluations, skill development and social capital. **Social integration capabilities** can either support or block the operations of the organization, states Apascaritei & Elvira (2022). They suggest that good social,

intraorganizational relationships enables the flow of information, competent learning and feeling of a common identity, strengthening the sense of belonging together. Emotional regulation is seen as a major element in building social capital, influencing relationships and behavior (Apascaritei & Elvira, 2022). **Reconfiguration-enhancing capabilities** are based on the ability of both employees and supervisors to be flexible and find the right balance in challenging situations (Apascaritei & Elvira, 2022). This framework presents that the function of the HR system here is to support flexible capabilities correctly.

Apascaritei & Elvira (2022) desired to make the idea of SHRM broader compared to the previous concept, which emphasized the role of HR system to design organizations' resources including all the knowledge, talent and capabilities, to role in which SHRM's task is to capture the capabilities to develop dynamism. With dynamic HR practices such as flexible process development, performance-based schemes, planning and redesign of career paths, tasks and roles is possible to empower employees and find valuable potential to achieve organizational strategic goals (Wang et al., 2012).

2.2 Dynamic Capabilities (DC)

This chapter discusses about the concept of Dynamic Capabilities (DC), and how it leads to organizational success through employees, supervisors and all levels of management. The purpose of the following sub-chapters is to understand the concept and the broad implications for the problem being studied.

2.2.1 History and concept of DC

Teece et al. (1997) presented new strategy approach to analyze organizations' ability to create competitive advantage through firm-specific processes and competences. In the center of this approach by Teece et al. (1997) is the ability to learn and adapt, as well the correct and appropriate processes, valuable resources, learning from experience, and the decisions which guide the direction of the future, thus understanding the history.

The early years of strategy research was focused on to see the market and environment as a stable state in which to operate, while dynamic capabilities were developed to extend the perspective to understand the changing environment and how to create competitive advantage in it (Teece et al., 1997).

Already in 1959 Penrose brought out a perspective on the importance of resources within the company, but the approach really started to develop, when RBV-theory came out in 1984 by Wernerfelt, and in 1991 by Barney emphasizing internal resources and competences as a source of competitive advantage (Wang & Ahmed, 2007). Teece et al. (1997) define dynamic capabilities as “The firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments”, while Eisenhardt & Martin (2000) defines it as “Dynamic capabilities thus are the organizational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve, and die”.

However, there have been a lot of empirical studies of dynamic capabilities, case studies that do not explain the concept properly. On the other hand, there are also conflicting arguments in the literature about the definition and nature of the concept. Wang & Ahmed (2007) exposes that Zollo & Winter (2002) defines dynamic capabilities as “structured and persistent”, while Rindova & Kotha (2001) sees dynamic capabilities as “emergent and evolving”. Despite of these, dynamic capabilities have strong connection to dynamism of the market, while RBV-theory has been criticized for ignoring this perspective (Wang & Ahmed, 2007). According to Shiferaw & Kero (2024) dynamic capabilities can also be defined as internal drivers that support long-term goals by enabling business model innovation. But the challenge is that companies are complex and no aspect of dynamic capability can guarantee long-term competitiveness on its own (Shiferaw & Kero, 2024).

According to Teece (2007) dynamic capabilities are built through three elements: sense, seize and reconfiguration. **Sensing** describes organizations' ability to discover the changes in the market, **seizing** identify the ability to react to these chances and **reconfiguring** identifies the ability to adapt capabilities and resources to fit to the new demands (Teece, 2007). Figure 5 below represents the overview of the dimensions of dynamic capabilities by Shiferaw & Kero (2024), adapted from Teece (2018).

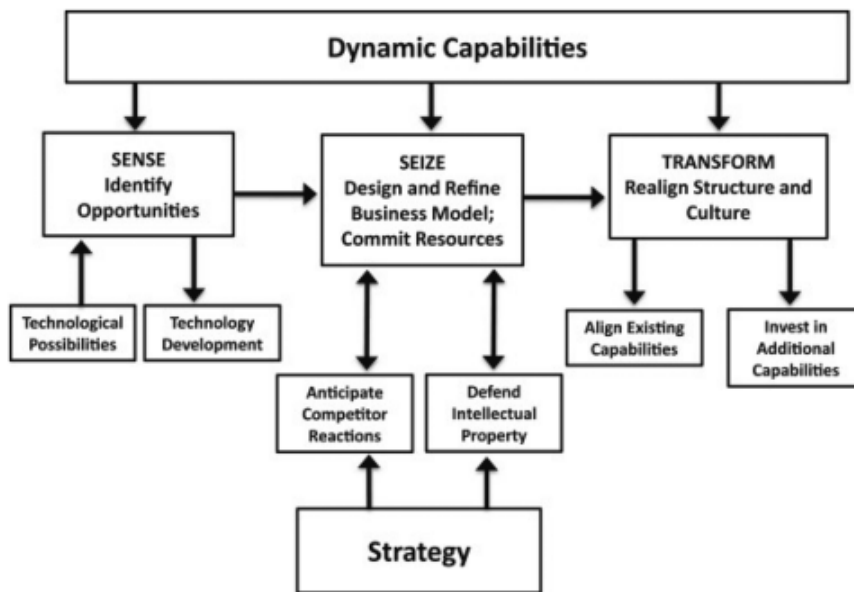


Figure 5. Overview of Dynamic Capabilities by Shiferaw & Kero (2024), adopted from Teece (2018)

2.2.2 DC leading to organizational performance through supervisors and employees

Based on the literature, environmental uncertainty has been strongly afloat for several years, bringing with it high competition and difficult business complexity (e.g., Haarhaus & Liening, 2020; Shiferaw & Kero, 2024). Same authors states that highly increasing globalization, sustainability requirements, technological development, digitalization and service innovation creates new opportunities, but also poses a major challenge for companies to adapt and change their operations, as well as to adapt their strategy. The

unpredictability of the environment also poses risks in internal behavior, as well as in the permanence of internal and external relationships and resilience of the organization (Haarhaus & Liening, 2020; Shiferaw & Kero, 2024). Various crises, such as COVID-19 was, are also driving companies to face new challenges, including sudden changes in demand and tougher competition (Al Daheri et al., 2024). For this reason, dynamic capabilities have risen to a significant position as a business enabler (Haarhaus & Liening, 2020; Shiferaw & Kero, 2024). Also in the midst of crises, companies that have invested in human capital, employees, and dynamic capabilities do better even in times of crisis (Al Daheri et al., 2024).

Dynamic capabilities are seen as one of the main valuable motive to competitive advantage, and competitive advantage leads to organizational performance in long-term (Scheuer & Thaler, 2023). Additionally, Scheuer & Thaler (2023) state that individuals are the primary factors in order to make change and adaptation possible at the organizational level. Thus, they add that supervisors on many levels become significant, again, when it comes to leading mindsets and emotions on an individual level, which is, again, seen as vital to the success of a company. Supporting and raising positive emotions by providing support, actively building a team, and creating a shared sense of pride will become a critical factor (Scheuer & Thaler, 2023). From the perspective of dynamic capabilities, proactive action and effective foresight are also critical, and plays a key role when talking about the responsibility of superiors to implement the strategy (Scheuer & Thaler, 2023).

What capabilities then, are important in addition to proactiveness and foresight, not just at the different supervisor levels, but for all employees, in order to adapt to dynamic changes? Based on the authors Bieńkowska & Tworek (2020) critical factors are such as: 1) ability to identify changes, their opportunities and risks, 2) personal adaptability, 3) ability to solve unknown problems, and 4) willingness to constantly learn. These can be also called employees' dynamic capabilities (EDC). EDC improves job performance, and thus influences to organizational performance (Bieńkowska & Tworek, 2020).

2.3 Supervision and supervisory work

This section will identify the concept of supervision, the role of supervisors in the organization, as well as the most relevant and significant HR practices leading supervisors to success in their role. The purpose is to understand the diversity, significance and challenge of the role of supervisors, and how organization can support success of supervisors through HR practices, and SHRM practices.

2.3.1 Role of supervisors, significance and challenges

Supervision plays a significant role in the organization from the perspective of both business and human resource management (Harris, 2020, p. 41). Harris (2020, pp. 43-44) defines supervision diversely: it can be seen as a process or a tool to create and nurture competencies, capabilities and activities in a safe environment to guarantee the success of the employee to be led in relation to the objectives of the organization. Good supervision is about being prepared for the discussions, creating clear direction, actively monitoring the progress, engaging employees and improving positive relationships (Harris, 2020, pp. 41-52). According to same author, supervision offers many positive impacts, including securing the performance, maintaining customer satisfaction, raising employee engagement and growing professionalism (pp. 41-52). At the organizational level this means implementing policies and processes, strengthen communication, reducing risks, lower exit and sick leave percents, clear expectations of the roles, and increased teamwork and ability to meet market's demands (Harris, 2020, p. 41-52). On the other hand, supervision requires training in leadership, sufficient skills and experience, passion for the role and commitment to the goals of the organization, as well as the skills to challenge their employees to develop, and support when it is needed (Harris, 2020, p. 41-52).

The challenge usually is, that supervision is often secondary, along with other pressing issues, even though it is vitally important: A large amount of different information, from

different sources burdens the supervisors (Helsilä & Salojärvi, 2009, pp. 112-113). In addition, they state that effective working that leads to good results combined with high well-being at work creates a challenge to the diverse role of the supervisor (pp. 112-113). The work of the supervisor includes planning and monitoring, but it is also strongly interactive work that everyone does in their own way (Helsilä & Salojärvi, 2009, pp. 112-113). This also requires a lot from human resources management, when it is essential to know the organizational context well enough, but also to know everyone's leadership habits and practices to be able to support supervisors in appropriate ways and practices (Helsilä & Salojärvi, 2009, pp. 112-113).

When the company's top management is responsible for the company's strategy, which involves SHRM as a significant part of it, the work of the supervisors in implementing the strategy becomes particularly critical (Helsilä & Salojärvi, 2009, p. 78). The way supervisors take things forward for their teams and employees also largely determines how these strategic goals are perceived, Helsilä & Salojärvi (2009, p. 78) notes. They also state that the ability of communication is emphasized and requires effort to make it work in both directions, from top to down, and down to top (p. 78). Indeed, one of HR organization's tasks is to add value to the business, both through the flow of the communication and the support of supervisors (Helsilä & Salojärvi, 2009, pp. 78-80). As the operating environment accelerates, HR organization and top management should define strategic and dynamic capabilities as a guideline for development and use them as a tool for guiding and supporting supervisors as well (Helsilä & Salojärvi, 2009, pp. 78-80).

Supervision includes leadership and management, which are sometimes challenging to distinguish as concepts. According to Armstrong & Taylor (2017, p. 374) "Leadership means inspiring people to do their best to achieve a desired result. It involves developing and communicating a vision for the future, motivating people and securing their engagement", while they define management as follows: "Management is the process of achieving goals by deciding what to do and then getting it done through the effective use of resources". In this context, resources are seen as people, finances, technology, as well as

work systems and processes (Armstrong & Taylor, 2017, pp. 374-375). In practice, both concepts contain each other and partially cross. However, leadership can be seen as a focus on people, while management can be seen as a focus on the totality of resources (Armstrong & Taylor, 2017, pp. 374-375).

2.3.2 HR practices supporting supervisory work and success

An organization can be considered intelligent when it has the ability to constantly renew itself, anticipate changes, and learn quickly (Sydänmaanlakka, 2012, pp. 220-221). Performance management can be seen as one of the basic levels of activity that leads to success (Sydänmaanlakka, 2012, p. 231). Performance management is also one of the HR practices, which purpose is systemically improving performance in three level: individual, team and organizational (Armstron & Taylor, 2017, p. 389). Performance can be defined as referring to behavior as well as results, and performance management aims to set specific goals for performance that align with the company's strategy, actively monitor progress, and develop people's capabilities, knowledge, and skills required by the goals (Armstrong & Taylor, 2017, p. 391-393). Thus, as an important part or addition to performance management is competence and knowledge management, which in turn are intertwined with other processes (Sydänmaanlakka, 2012, p. 231). Performance and competence management together should ensure that in the big picture, organizational learning is greater than environmental change, thus being able to manage change and its effects (Sydänmaanlakka, 2012, p. 231).

According to Sydänmaanlakka (2012, pp. 242-255) the focus areas of performance management are the clear goal of each role, ensuring adequate guidance and providing feedback. He also notes that concrete actions in performance management include performance, development and planning discussions. Performance management thus also includes performance monitoring, which again leads to motivational and fair reward (Sydänmaanlakka, 2012, pp. 242-255). Overall, performance management is aimed at achieving a high level of work motivation through the reconciliation of individual goals and

work, as well as continuous competence development, and thus an improvement in work performance (Sydänmaanlakka, 2012, p. 242-255). When combining this with dynamic capabilities, and the flexibility of HR practices in relation to the changing environment, performance management should pay particular attention to development-oriented performance (Ketkar & Sett, 2009).

“Development orientated employee performance management systems that value and reward not only current performance but also discretionary behaviour, new skill acquisition, adaptability, or development of competencies required for the future have been found to be effective in fostering learning and motivating employees to acquire new skills and behaviours.” (Ketkar & Sett, 2009)

From a dynamic capabilities and flexible HR practices perspective already at the selection stage, when organization is acquiring new skills, emphasis is particularly important to place on the fact that people who are hired have cognitive ability and learning ability, not only the functional skills required from a certain role (Ketkar & Sett, 2009). HR activities related to the development of existing employees such as job rotation and career planning are also seen as having positive effects allowing employees to develop and diversify their skills and knowledge, but also to diversify and develop their behavior (Ketkar & Sett, 2009). Moreover, Ketkar & Sett (2009) highlights that comprehensive, purpose-oriented training that emphasizes the acquisition of new knowledge, new learning, and the exercise of learning ability can be seen to affect performance up to the organizational level.

In addition, open communication and employee involvement are considered one of the most important elements for increasing motivation and understanding among all employees, which in turn can create a competitive advantage (Ketkar & Sett, 2009). To summarize this theme based on this literature review, the most important thing in the first phase, in selection, is to focus on finding learning ability, cognitive abilities and the ability to adapt and renew, when reviewing HR practices related to supervisory success (Ketkar

& Sett, 2009). On the other hand, along the career, the supervisors can be supported especially by performance and competence management practices (Ketkar & Sett, 2009; Sydänmaanlakka, 2012, p. 231). At organizational level, organizations who vertically and horizontally integrate their HR practices well, are better in performance, and employees are more motivated, committed and skilled (Green et al., 2006).

2.4 Theoretical framework for the study

This section presents the theoretical framework built to promote the identified research gaps in section 1.2 and to answer the research questions in section 1.3. The framework was built using related, relevant theories and concepts that were discussed in a comprehensive literature review through articles and books. The framework is presented in the Figure 6.

The framework is mainly constructed by combining behavioral theory (Figure 1) and HRM dynamic capabilities theory (Figure 4), specifically utilizing the emphases of dynamic capabilities approach and considering supervisory work as an organizational success factor. Framework aims to answer the first research question by synergizing SHRM to DC, and presenting mechanisms leading to supervisory success and thus firm performance. To respond also to the second research question, framework emphasizes the most relevant SHRM practices from DC and supervisory success perspective, basing on the relevant literature presented in the literature review. A third research question has also been considered in the framework by describing which behaviors help the supervisors to succeed in their work, taking into account the dynamic environment and capabilities. Theoretical Framework contributes also to the most relevant research gaps related to this study, which are: 1) Mechanisms which lead to firm performance through SHRM and DC, 2) How organizational adaptability and resilience is built and deployed through supervisors.

Theoretical framework for the study demonstrates the dimensions, which leads to desired organizational outcomes in dynamic environment, in which the pursuit is successful supervisory work, leading to employee commitment, motivation and capabilities, creating resilient and dynamic organization, who gets high firm performance. First phase of this model is development orientated SHRM practices, which in this case focuses especially on relevant practices presented in chapter 2.3.2. The next phase describes relevant SHRM Dynamic Capabilities to ensure value creation for the business. Third phase describes the most relevant supervisor behaviors, helping supervisors succeed in their role. Everything is based on external as well as internal conditions, the company's strategy and available resources.

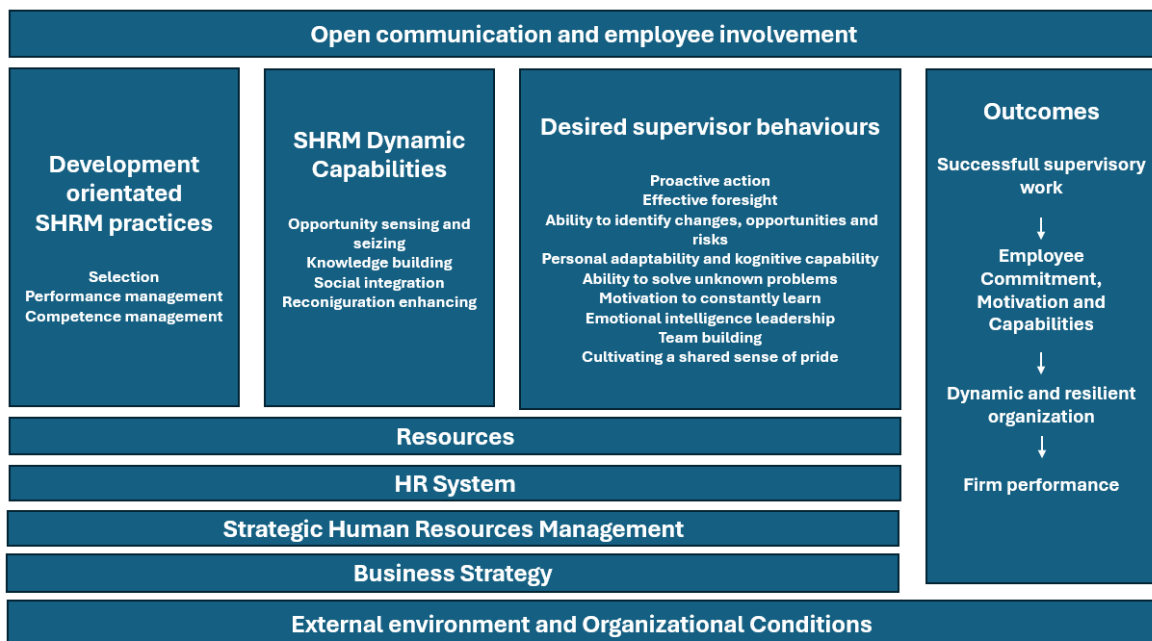


Figure 6. Illustration of the theoretical framework of the study

This illustration of theoretical framework creates integration between strategic human resource management and dynamic capabilities, through which, especially from the point of view of supervisory work, the entire organization can be successful and perform well. The most important and challenging task of the HR function is to support

supervisors in their work (Helsilä & Salojärvi, 2009, p. 97), and based on the literature review, it was possible to identify the most important SHRM practices and capabilities by Apascaritei & Elvira (2022), Green et al. (2006), Ketkar & Sett (2009) and Sydänmaanlakka (2012, p. 231) that will help the supervisors to succeed in their own work, considering the requirements of the dynamic operating environment, and thus required dynamic capabilities by Teece (2007). This creates mechanisms between SHRM and DC from the perspective of supervisory success, which are processes of selection, performance management and competence management (Green et al., 2006; Ketkar & Sett, 2009; Sydänmaanlakka, 2012, p. 231).

These processes can be used to support success in supervisory work, which in turn raises the desired and needed behaviors (desired supervisor behaviors), which is adapted to respond to the named employee dynamic capabilities by Bieńkowska & Tworek (2020) and supervisor's critical dynamic capabilities by Scheuer & Thaler (2023) combined to behavioral theory and its desired behaviors by Jackson (2013). These named desired supervisor behaviors leads to successful supervisory work and performance, influencing to the whole personnel positively and creating together resilience and dynamically capable organization, which performs well (Scheuer & Thaler, 2023). Between all these processes and practices, leading to desired behaviors, according to Ketkar & Sett (2009) open communication and employee engagement through involvement is seen as a significant common factor for organizational performance.

3 Methodology

This section describes the methods on how the study is conducted. To compile this section, a "research onion" framework in Figure 7 by Saunders (2007, p.102) has been utilized. The first chapter will cover the philosophy and approach of the research, while the second chapter focuses on the case company, and the level and sample of the study. After that, third chapter describes research strategy and choices of the methodology, and the fourth chapter then goes on to explain how the data will be collected. The fifth chapter describes data analysis, and in the end, the quality of the data is assessed.

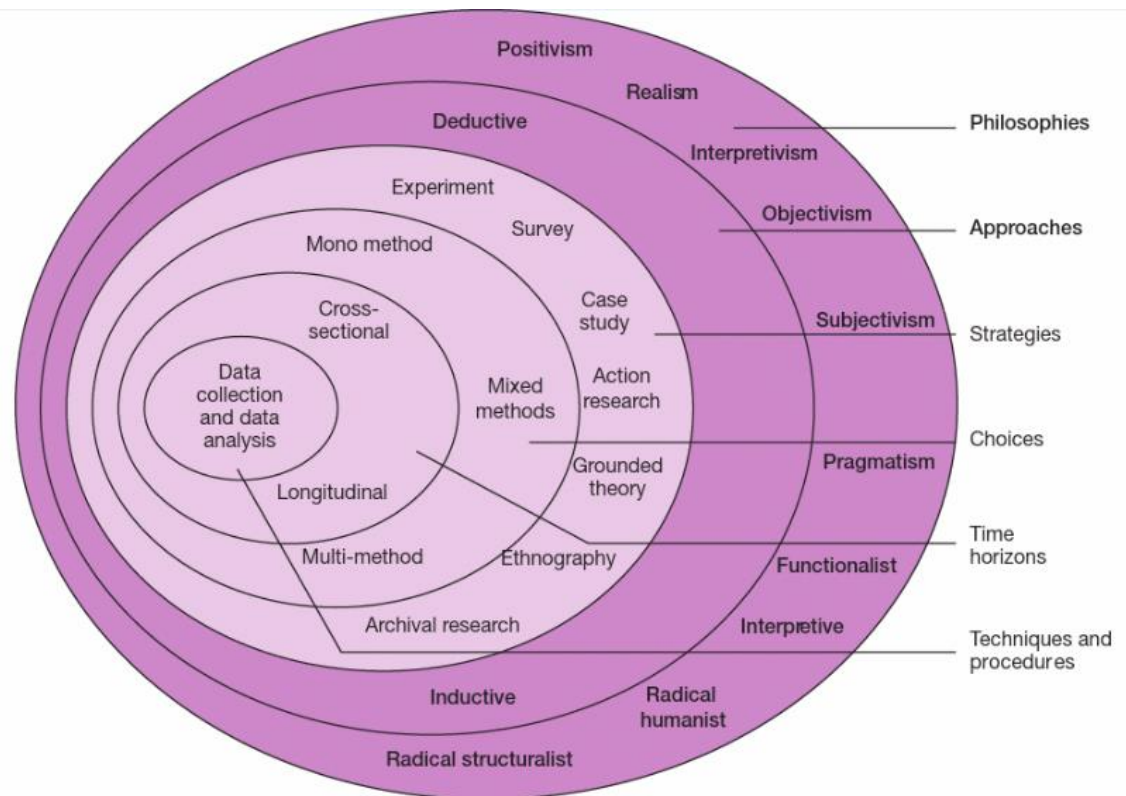


Figure 7. Research Onion (Saunders et al., 2007, p.102)

3.1 Research philosophy and approach

First, we go through the research philosophy, which is the first outer layer of the research onion. The philosophy of research describes a view of how research knowledge and process are seen (Saunders et al., 2007, p. 101-102). According to authors philosophy guides the entire research process, and the choices made in it. Saunders et al. (2007, p. 102) identifies three major research philosophies, which includes several different emphases areas of research philosophy. They state that research philosophy is selected according to the research questions and can sometimes even be a mixture of several philosophies (pp. 130-131). The role of this “onion layer” is to help the researcher to understand emerging assumptions based on the research, but also to challenge them (Saunders et al., 2007, pp. 101-102.) Because this study aims to understand the mechanisms and behaviors that influence success in supervisory work by interviewing individuals from different levels of the organization, by considering the context as well as the experience of individuals, interpretivism is chosen as the philosophy of this study. Interpretivism focuses on comprehending people, rather than objects, and it aims to understand the world through research subjects (Saunders et al., 2007, pp. 106-107). According to Eriksson & Kovalainen (2008) interpretivism is “interested in how people, as individuals or as a group, interpret and understand social events and settings”.

Additionally, interpretivism is often used in research fields of management and business, and especially fields of human resources management, organizational behavior and marketing (Saunders et al., 2007, p. 107), which is also supporting the choice, when the purpose of this study is to contribute the field of strategic human resources management. Even if interpretivism is partly criticized from emphasizing the capture of the unique set of individuals or group’s view, instead of generalizing (Saunders et al., 2007, p. 107), it is seen as a valuable philosophy for qualitative research (Eriksson & Kovalainen, 2008). Research philosophy of interpretivism highlights the circumstances and ever-changing world of business (Saunders et al., 2007, p. 107), which also fits the theoretical framework used in this study and the perspective of dynamic capabilities.

Second layer of research onion discusses about research approach, and Saunders et al. (2007, p. 117) identifies two approaches: deductive and inductive research. Deductive research approach aims to test the existing theory (Saunders et al., 2007, p.117). According to Saunders et al. (2007, p.117) deductive research starts with developing a theory and hypothesis, and research aims to test that theory and hypothesis. While inductive research begins with collecting the data, and creating new theory based on the data analysis (Saunders et al., 2007, p.117). In inductive research, the theory is generated as an result of research data, while in deductive research, theory is the primary source of information (Eriksson & Kovalainen, 2008). This study makes use of existing theories, which are tested with the data being collected. On the other hand, the theoretical framework and mechanisms for precisely this problem to be studied are still incomplete, with which research also seeks to create new knowledge in theoretical light. For this reason, both approaches are used in this study.

3.2 The case company and sample of the research

In this study, the case company remains anonymous due to a sensitive and very topical issue. As a result, a more detailed description of the company will also be less. However, this section briefly presents the case company as well as the main issues and the level at which the study is to be conducted and reviewed.

The Case company is a Finnish stock-listed company, which employs approximately 8,000 people. Eighty percent of employees are working in Finland, when the rest twenty percent is working in Sweden. The company has approximately 50 000 business customers, and company is operating in a highly competitive service business sector. The company provides several services and organizational structure is shaped to match the provision of different services in a few different business areas. This study focuses on collecting the data from a single business unit under one business area, which employs about 1,000 people. In addition, the HR organization participates in data collection, because it is important for research questions to get views from both supervisors as well as HR

representatives. This chosen business unit operates nationally in Finland, and it was chosen as the object of data collection because it is believed to provide the best possible knowledge and experience of the problem under study through the market challenges it has faced, and the adjustments and reorganization it has required. However, the knowledge gained from the research is intended to be utilized at the organizational level, in the whole business area. The research is to be considered at the organizational level because it seeks to understand and study organizational structures, processes and mechanisms that can support supervisory work, which in turn affects the success of the company at the organizational level. Since the research also deals with topics from the perspective of strategic human resource management, it is natural that the perspective of the research is organizational. It is not excluded that the research also provides an understanding of the success of supervisory work on an individual level.

Based on these, this study will not only help the case firm to meet the needs of the present and the future, but also provide an opportunity to complement the research gaps identified in this study through these research questions:

What are the synergies between Strategic Human Resources Management (SHRM) and Dynamic Capabilities (DC) in terms of performance?

What SHRM practices are most influential in supporting supervisors to success and performance?

How to support the emergence of dynamic capabilities of supervisors and success in their role at an organizational level?

3.3 Research method and strategy

This section describes the next two layers of the “research onion”, which includes the choices of the research covering the strategy and methods. First the methods are presented, and after that, those strategic choices of the study are described.

Research method

There are two main research methods, which can be identified as qualitative and quantitative research methods. Methods differ in research practices as well as in matters of principles (Hirsijärvi et al., 2007, pp. 131-133). When choosing a research method, it is important to consider which procedure brings the most comprehensive clarity to the research problem (Hirsijärvi et al., 2007, p. 133). Qualitative research is empirical, and the purpose is to examine, observe, and argue the problem being studied (Tuomi & Sarajärvi, 2009, p. 22). Qualitative research aims to understand the phenomenon, and mainly used data collection methods are interviews, surveys, observation and document analysis (Tuomi & Sarajärvi, 2009, pp. 66-71). Quantitative research method aims to explain the phenomena and the purpose is to collect the data in a numerical form that can be used to form tables or other statistically processed variables (Hirsijärvi et al., 2007, pp. 135-137). Authors highlight that the underlying idea is that there is cause and effect in things, and reality is based on objectively established facts. Data is often collected through surveys, experiments, statistics, structured observation, or content analysis (Eriksson & Kovalainen, 2008).

Since this study aims to understand the connections between strategic human resources management and dynamic capabilities, and how it leads to supervisory success, qualitative research method is selected to use in this study. To answer research questions, as well as complete research gaps, a qualitative research method provides much-needed, deeper knowledge on the subject. For this same reason, quantitative research has not been chosen as a method, as it was not felt to provide a sufficiently deep understanding of the subject. In addition, the purpose is not to explain, but to better understand the phenomenon. According to Eriksson & Kovalainen (2008) qualitative business research

provides the possibility to obtain information how and why different issues operates in practice the way they do. With this, this study can be identified as a qualitative business study. Additionally, when qualitative research is identified to be valuable when testing existing theories, to examine new complex phenomenon or building new theories, with capturing individuals' unique expressions and experiences (Graebner et al., 2012), it supports the choice of this method in this study.

Research strategy

Saunders et al. (2007, p. 135) identifies seven different research strategies, which are: experiment, survey, case study, action research, grounded theory, ethnography and archival research. Research strategy will guide the study to meet the research objectives (Saunders et al., 2007, p. 135). According to authors the choice of the research strategy is determined by research questions (p. 135). However, the choice is influenced also by the available resources and time, as well as the scope of the research. Research can also consist of more than one different strategy (Saunders et al., 2007, p. 135).

This study has been selected to conduct as a case study. According to Saunders et al. (2007, pp.139-140) case study can be defined as doing empirical research, in the context of real life, using several sources to understand the phenomenon. They state that a case study is often chosen when you want to deeply understand the context and get answers to the questions "why?", "what?" and "how?" (p. 139). Data collection often combines several different methods, such as interviews, document analysis and observation (Saunders et al., 2007, pp. 139-140). Case study includes few different dimensions, and it can be divided to single case study and multiple case study observation (Saunders et al., 2007, pp. 139-140). Single case study provides the opportunity to study a single, critical and unique case observation (Saunders et al., 2007, p. 140). Multiple case study includes several cases, and it aims to understand will the same findings of the first case appear in the other cases too (Saunders et al., 2007, p. 140).

For this study, the single case study was decided to be used as a research strategy. Single case study is often a natural choice when the research is directed at a student's employer company, but also needs strong justification because it does not seek generalization as the way multiple case study does (Saunders et al., 2007, p. 139). The single case study was selected from the premise that the author identified an opportunity in the employer company to study a highly critical and topical topic that has touched the case company for several years. The case company is large, and information can be obtained widely from different levels of the organization as well as other secondary sources. The case company employs several people in a supervisor position who have several years of experience in the company and supervisor work. The case company in question has experienced major challenges and, consequently, major changes. Research topic in this study is very significant both in terms of the development of the company, as well as in the theoretical light to fill the research gaps. Since the companies usually appreciate new insights provided by the single case study, as well as in this case, the choice of research strategy was natural. Author of this study has worked in this case company for over four years, which has already created a confidential relationship with the people involved in the research interviews. This allows for more confidential and in-depth access to individual experiences and views in the interviews. The HR director of case company was involved in shaping the topic of the study, which was identified together as highly critical when mirroring the current state of the company. While the company is operating nationally in Finland, and the company representatives and thus the interviewees are located in different parts of Finland communication was executed via email and Teams meetings through the whole research process.

3.4 Data collection

In the “research onion” the core lies on an emphasis of data collection and analysis (Saunders et al., 2007, p. 102), which will be presented in this and in the following section regarding this study. When a case study is selected as the research strategy, as mentioned in the previous section, data can be gathered through methods such as interviews, observations, document analysis, and questionnaires (Saunders et al., 2007, p.139). A

case study can also be implemented as a combination of these methods (Saunders et al., 2007, p.139). This study utilizes interviews as the primary data collection method. In addition to this, secondary data is obtained from observations, discussions and different materials within the company. The study has chosen to focus on the most recent years (2022-2024), during which secondary data are collected for the study. This review period has been reached due to its topicality. The period has included already earlier in this study mentioned challenges, related to i.e. social, economic and politic situation, technology transformation and thus changes in the demand and costs. As a result, in the case company, these aspects have caused different organizational changes, as well as reorganizations and role, operation and structure adjustments. These are explained in more detail in Chapter 4.

As a data collection method, the purpose of interviews is to get as much information as possible about the desired topic (Tuomi & Sarajärvi, 2009, p. 73). According to authors interview refers to a situation in which the interviewer verbally and personally asks questions of the person being interviewed. For the success of the interview, it is recommended that the interview questions be shared with the interviewee in advance (Tuomi & Sarajärvi, 2009, p. 73). On the other hand, the interview method provides a bit of flexibility to ask more specific follow-up questions or changes the order of questions (Tuomi & Sarajärvi, 2009, p. 73). Additionally, the interviewer also has the opportunity to observe how things are said (Tuomi & Sarajärvi, 2009, p. 73). However, authors emphasize that with observations, the outputs should be carefully considered whether they are justified to be added to the final report or not (p. 73).

Interviews can be divided in three ways: form interview, theme interview and in-depth interview, where the form interview is seen as a quantitative method, while theme interview and in-depth interview are seen as a qualitative method (Tuomi & Sarajärvi, 2009, pp. 74-77). These differ in practice in how precisely the questions are predefined and how accurately a particular structure is retrieved (Tuomi & Sarajärvi, 2009, p. 74). The theme interview proceeds according to the themes relevant to the research, while the

in-depth interview, also referred to as an open interview, is very conversational as long as it is related to the phenomenon being addressed in the research (Tuomi & Sarajärvi, 2009, pp. 74-77). Also, Saunders et al. (2007, pp. 311-312) categorizes interviews in four, based on the level of formality and structure: structured, semi-structured, unstructured and in-depth interviews. Furthermore, the authors clarify that interview methods can be categorized as either standardized or non-standardized. Non-standardized methods, like semi-structured interviews, are commonly used for qualitative data collection (Saunders et al., 2007, pp. 312-313). Semi-structured interviews are developed by identifying key themes of the study and formulating questions related to themes to guide the discussion forward (Saunders et al., 2007, pp. 312-313). Hence, the themes and questions may differ across the interviews, and the order of questions can be adapted to ensure the natural flow of the conversation according to Saunders et al. (2007, pp. 312-313).

In this study, the data was collected with ten semi structured theme interviews, while the concepts are partly overlapping in different definitions, by different authors. All interviews were conducted online via Teams, and were recorded, as recommended by authors Saunders et al. (2007, p.312) to ensure the data collection and to focus on the conversation with the interviewee. The data collection process began with a discussion with the contact person of the case company (HR director), with whom was discussed which individuals would be suitable and relevant to be interviewed for this study. Regarding the topic of the study, it was concluded that it is of paramount importance to obtain information from the supervisors themselves. The interviewees were selected from different parts of the organization, both geographically and at the management level, to provide a broad and reliable sample of the research on the topic. Additionally, it was seen as valuable and justified that supervisors selected for the interviews have been worked in the company in question for at least the review period of the study (2022-2024) or longer. In addition to this, it was concluded that three HR representatives will participate in the study, bringing more depth, especially from the perspective of strategic human resource management. The HR representatives were selected on the basis that they had worked with the HR issues of the chosen business unit. All ten interviewees

were contacted via e-mail and all selected participants agreed to participate in the study. After agreement, interviews were scheduled, and interviewees were informed more precisely about the nature and the purpose of the study, and how the data is being processed and stored. Finally, before the interviews, the planned themes and questions that were to be discussed in the interview, were submitted to the interviewees.

For interviews, two types of slightly different interview frames were created. In practice, the use of two different interview frames was divided between supervisors in the business unit and HR representatives. In both interview frames the same themes were discussed, but due to the point of view, some questions were modified to be more suitable for HR representatives. For one person in top management, a mixed intermediate interview frame of questionnaire A (Appendix 1) and questionnaire B (Appendix 2) was formed according to the position. However, most of the questions were the same for everyone. The interview frame A, which was aimed at supervisors in the business unit is presented in Appendix 1, while the interview frame B for HR representatives is presented in Appendix 2. The themes and questions of the interview were based on research questions, as well as the main theories of the study, which are presented in the literature review. To create a natural conversational situation, the wording of the questions could vary slightly between interviews, as well as the additional questions needed. Additionally, top management and one HR representative was asked to provide background information and a timeline, as well as to outline the main events from 2022-2024, to understand what has happened in the market and how it has affected the organization. All interviews were conducted according to the original plan between mid-November and early December, in year 2024. Details of the interviewees and interviews are given in the Table 1 below.

Table 1. Summary of interview details

Interviewee	Interviewee's position	Interview type	Questionnaire	Duration
1	Field supervisor	Online via Teams	A	42 minutes
2	Middle management	Online via Teams	A	1 hour 9 minutes
3	Human resources	Online via Teams	B	1 hour 8 minutes
4	Field supervisor	Online via Teams	A	1 hour 20 minutes
5	Middle management	Online via Teams	A	58 minutes
6	Top management	Online via Teams	A	1 hour 25 minutes
7	Top management	Online via Teams	A/B	48 minutes
8	Middle management	Online via Teams	A	1 hour 6 minutes
9	Human resources	Online via Teams	B	55 minutes
10	Human resources	Online via Teams	B	53 minutes

This research was implemented in a Finnish company, where the main language is Finnish. For deeper and correct information, the interviews were conducted in Finnish. The interview frame for this research paper, as well as all the material collected from interviews or other materials, has thus been translated from Finnish into English. Secondary material from the English language might not even have been available. If the interviews had been conducted in English, the risk would have been not getting participants in the interviews. Additionally, understanding the language and important terms, as well as expressing the right things would have been high risk, if interviews would have conducted in English. Thus, it would have been challenging to implement the study for the company in question, and if it had been implemented in English, the risk of misinterpretation of the terms would have been high, and thus the risk of misinformation in data collection would have been high. According to Saunders et al. (2007, p. 167) gaining physical and cognitive access to suitable data, right language is one of the aspects you need to consider in your research strategy.

3.5 Data analysis

The analysis, interpretation and conclusion of the data collected in the study can be considered the most important stage of the study (Hirsijärvi et al., 2007, p. 216). Still, qualitative research does not identify a standardized approach to analyze data (Saunders et al., 2007, p. 478). However, often the analysis of the data includes reviewing the accuracy of the data, possibly completing it and, thirdly, organizing the data before the analysis itself can be started (Hirsijärvi et al., 2007, pp. 216-217). According to Saunders et al. (2007, p. 479) general qualitative data analysis consist of these four stages: 1) Categorization, 2) "Unitizing" data, 3) Recognizing relationships and developing the founded categories, 4) Theory testing and development. First phase, categorization, includes separating and dividing data into different categories, either based on the collected data or based on a theoretical framework (Saunders et al., 2007, p. 479). Second phase, "Unitizing" data, includes finding interesting and relevant units or groupings inside the categories (Saunders et al., 2007, p. 480). The third phase continues to work on, develop and seek links between categories (Saunders et al., 2007, p. 482). In the final stage, a hypothesis is created, and a theory is tested based on how have been managed to find connections, patterns and relationships in the data you have collected and its categories in the preceding stages (Saunders et al., 2007, p. 482).

Since this study is conducted as a qualitative study, it utilizes this four-step method of analyzing data described above by Saunders et al. (2007). As recommended, also in this study, the material obtained from the interview was transcribed, which means to write down qualitative material word for word to facilitate proper analysis of the material (Hirsijärvi et al., 2007, p. 217; Saunders et al., 2007, p. 484). As the interviews were conducted through Teams in this study, the application's tools allowed the online interview to be transcribed and recorded. Just in case, the interviews were both transcribed and recorded through the features of the Teams app. The interviews were also wanted to be recorded, as the technology does not yet produce exactly the right text in the transcription process, and with the recording, the transcribed text could still be corrected afterwards. The lengths of the interviews varied between 42 minutes and to 1 hour and 25

minutes. According to this, the lengths of the transcribed materials also varied. The shortest transcription was 23 pages, and the longest transcription was 67 pages. Littered material was first worked on to remove unnecessary fill words, as the content in this study was more important than linguistic expressions. The "cleaning" of the littered material clarified the work on the data in the future. Before the categorization began, the transcribed text was separated the interviewer's and the interviewee's sections in different styles, as well as the questions, answers and main and sub-headings, as Saunders et al. (2007, pp. 476-477) also recommend.

The categorization began by highlighting relevant parts, sentences and words related to research questions and continued with searching for recurring themes and topics. Then the recurring topics and themes began to be compared to the theoretical framework and the contents and theories discussed in the literature review. Additionally, it was examined whether there is something new in the data that has not been considered in the theoretical literature review part of this study. The main categories were formed based on the theoretical framework and research questions: the role of the supervisor, dynamic capabilities, SHRM practices and criticality of the concept. Once the main categories were clear, the transcribed material was reviewed repeatedly, searching for relevant observations on the topic of the category, marking them with different colors. After that, it was possible to form sub-headings and smaller thematic entities under the main categories and found relevant quotes to support the findings. To structure the analysis, tables were formed from the material with the main categories, subcategories and quotes supporting them (Table 2). After that, the connections and relationships that this study started to explore also began to emerge. The findings are presented in chapter four, and the final stage of analysis on the testing of the theory and developing it is discussed in chapter five.

Table 2. Example of categorization of the findings

Original quotation	Simplified conclusion	Main category	Sub-category
<i>“Even from the point of view that the basis of many invitations to tender, that we can even necessarily offer, so our business case can dry up when we do not have sufficient qualifications.”</i>	Strategic competence management is linked to the competitiveness of the company in the market.	Dynamic capability, Competitiveness	Competitiveness in the market
<i>“Strategic HR management is essential, we stay competitive like this in the long run. And it also has the effect on the well-being. That long-term leadership also raises the focus on people's well-being.”</i>	Strategic human resource management has a connection through the well-being of the company's personnel to its competitiveness.	Dynamic capability, Competitiveness	Competitiveness as an employer

3.6 The assessment of the quality of the data

The quality of studies should always be considered, and often in this context it means the reliability and validity of the research (Hirsijärvi et al., 2007, p. 226). Reliability measures the reproducibility of a study, i.e. its ability to give no random results (Hirsijärvi et al., 2007, p. 226). Whereas validity describes the validity of a study that describes the ability of a study to measure exactly what it is intended to measure (Hirsijärvi et al., 2007, p. 226). However, in qualitative research these may be challenging to evaluate, as the material is not in a measurable form (Hirsijärvi et al., 2007, pp. 227-228) In a qualitative study, reliability can be found to measure whether others who have studied the same subject would have had similar results (Saunders et al., 2007, p. 318). Validity, on the other hand, can be estimated by “whether the results are really what they appear to be” and whether there really is a relationship between the two variables (Saunders et al., 2007, p. 150).

In qualitative research, triangulation is one way to assess the quality of research (Tuomi & Sarajärvi, 2009, p. 143). Triangulation refers to the fact that different sources of information, theories, authors, methods and data have been combined in the study to broaden the perspective (Tuomi & Sarajärvi, 2009, pp. 143-145). For example, triangulation related to theory means that several theoretical perspectives have been considered in the study (Tuomi & Sarajärvi, 2009, p. 145). In the triangulation of data collection, on the other hand, it is estimated that data is collected from as large a group as possible (Tuomi & Sarajärvi, 2009, p. 144).

However, in qualitative research it is important to describe the entire process very accurately (Hirsijärvi et al., 2007, p. 227). In the data collection, the reliability of the study can be assessed more accurately based on how the interviews have been conducted, what the circumstances have been, how much time has been spent and whether, for example, some distractions have occurred (Hirsijärvi et al., 2007, p. 227). According to authors it is also important for the researcher to assess possible misinterpretations and reflect on situations. Lack of structure in interviews, for example, can pose a risk to interviewer bias, which describes interviewer's impact on interviewee or responses with tone, comments, non-verbal gestures or reactions (Saunders et al., 2007, p. 138). The classification of material is central to qualitative research, and it is also important to open how classification has arisen (Hirsijärvi et al., 2007, pp. 227-228). When presenting the results, it is important to present where the researcher bases his conclusions: this is supported, for example, by direct quotes (Hirsijärvi et al., 2007, p. 227-228).

4 Findings

The findings section of this study presents the most significant findings of the study. The section is approached first with the current situation to background the changes in the environment, market and organization. This is followed by explanation of the role of the supervisors in the organization and what are the biggest challenges in supervisory work. Subsequently, the section has been constructed to address the findings through previously presented research questions.

4.1 Description of the landscape of the organization

Based on the observation and discussions during the review period of the study, there has been a recession in the world between 2022 and 2024. The war between Russia and Ukraine, which began in 2022, has had a global impact on the economic situation as society has only just hardly recovered from the effects of COVID-19 pandemic. As a whole, the operating environment has been unstable over the years, with rising costs, demand and supply challenges, and a fluctuating energy market. These insights emerged also in the interviews and has been reflected in the operations of the case company, which has had to adjust the operations strongly over the years and the organizational structure has been modified to correspond to the operating environment.

“The instability of the operating environment has actually had an emphasis on what we have had to do in this organization, which was already going on in other respects. But this change in the operating environment has accelerated it even further.” (Interviewee 3)

According to primary interview data and secondary observations during years, the business unit of the case company, which is examined in this study, combined two different service lines in year 2022. In the change, the management of the functions was combined from the regional manager level up. In addition, the operations were partly discontinued in those locations where it was not profitable to maintain the business. The

aim of the change was to bring the services closer together, to provide total services to clients and to increase the efficiency of fixed costs. To enable profitable growth, numerous co-determination negotiations have taken place over the past two years, in which both blue- and white-collar employees have been reduced due to lost turnover and customer relationships. The number of personnel in the business unit is currently around 1000 employees, and there has been a decrease of just under 1000 people during these years, i.e. about half.

“In part, perhaps due to this external environment, we have lost a lot of revenue in both service lines, so we had to be able to adjust that amount of people to this level of business. Just adjusting the number of employees to meet demand is not enough, because otherwise we will have a rather expensive fixed layer of different administrative stairs, which have then had to be lightened in the same proportion.” (Interviewee 3)

In addition, there have been changes in the content and responsibilities of the roles. Especially with field supervisors, who serve as direct supervisors of the executable level. These supervisors have overseen management until the year 2022, without the responsibility of the human resources matters. Prior to 2022, the employee level has been led by the regional manager. However, in 2022, this field supervisor role was changed to personnel-responsible supervisor role, with the employees previously led by the regional manager, and these field supervisors remained under the direct command of the manager. This change is described as reflected in the challenges that supervisory work in the field continues to face today. Based on the results, the role of field supervisors is considered to be the most important supervisor role in the organization, and they are the most numerous in the company in terms of supervisor roles.

“The supervisor role is one of the most critical and important roles that we have in general.” (Interviewee 7)

“In the end, everything that we do and decide in top management or that is based on our strategy, its effectiveness happens at the employee interface, because that's the biggest mass of our personnel, employee-level.” (Interviewee 3)

“An organizational change has been made in the house a couple of years ago, which led to no supervisor status being raised to supervisor status. In a way, the journey of change or the process of growth, I can see that it is still in progress.” (Interviewee 10)

“It's probably a bit like we've been expecting too much, so that's going to take care of those things on its own. We have trained, but certainly too little of it in the field supervisors and therefore it has been with a too little attention.” (Interviewee 7)

4.1.1 The role of the supervisor and its main challenges

Case company of the study is a publicly traded service company that, according to the study, has a significant impact on the role of the supervisors, despite the level of supervising. When asked what the role of the supervisor is, there is a significant emphasis, in addition to guiding and coaching the staff, the customer interface and ensuring the financial result. However, as a personnel-intensive business, personnel are seen as particularly valued, but at the same time it is stated that money is the one which largely dictates things.

“The role of the supervisor is to manage the personnel, to take care of their work capacity, health and safety at work. Then, of course, there is the performance aspect: accountability.” (Interviewee 1)

“I try to make things possible and make such conditions for my team that they are able to function, and it would be as calm and peaceful as possible in their everyday life.” (Interviewee 6)

"We make a financial result. That's like it's probably the most important thing of all. Sometimes on the condition of all other things. Managing results and effectively producing services." (Interviewee 5)

"The supervisor is the creator of the atmosphere, creates the atmosphere and attitude of doing." (Interviewee 2)

The biggest challenge is to prioritize the use of time when the flood of things in everyday life is huge. In addition, the challenge is increased by the diversity of people, the sufficiency of resources, fighting change resistance, and various challenges with staff, such as work ability or misconduct.

"A staff-oriented field, so of course a lot of changes. People work, so there are always surprising changes and challenges." (Interviewee 1)

"We have come up with all kinds of things that just kind of replay the lower the organization goes. Of course, there will be time-consuming challenges." (Interviewee 10)

"In that job [supervisor], there are a lot of contacts from all over, from inside the house, from customers, partners and employees. Then being able to prioritize those things in such a way that that time is enough." (Interviewee 7)

"That staff and then, in a way, the amount of their resources that I have enough of that bunch at work." (Interviewee 4)

"Struggling with change resistance is one and the other is kind of changing the way people think." (Interviewee 6)

4.2 Synergies between SHRM and DC

Based on collected data, strategic human resource management can be found to be linked to the competitiveness of the company, and hence to the DC concept. Strategic human resource management is seen as a particularly important part of organizational management, especially when it comes to the personnel-oriented field of business. When a company is operating in a personnel-intensive field of business, it is seen that not investing in human resource management in the long run has a major impact on employee well-being, retention and commitment. Strategic human resource management can be used to ensure that the personnel are systematically moving towards the goals with a common understanding and a sense of congruence, supporting the company's business strategy. However, at the same time it is stated that it is difficult to distinguish between what is strategic and what is operational when they overlap with other activities in everyday life. Strategic human resource management becomes a reality through everyday activities. Many of the interviewees found it difficult to identify or separate strategic HR practices as a separate matter.

“If we do not do strategic human resource management, then we will turn inward. We lead that daily doing so that the daily things are done, but while our gaze is closed and closed to where our world goes around. That [strategic human resource management] keeps us competitive in the long run. (Interviewee 3)”

“Strategic human resources management is the most important thing to lead to, which is where you should put the energy and the shots when it comes to personnel-driven business. It [strategic human resource management] is not at all something separate from everyday life, even if it is considered as a strategy and for a long time, but that happens in practice and in everyday life. You have to live it out in the real world.” (Interviewee 9)

“After all, we like to keep them [SHRM practices] up at every weekly team meeting in general.” (Interviewee 4)

“Sometimes it is difficult to recognize what is strategic and what is operational. HR functions' share of that business strategy, so maybe it better reflects what I thought it should be a strong part of it. We don't do individual targeted attacks by HR, we do it in a unified and systematic way as an organization.” (Interviewee 10)

Based on the results of interviews, strategic human resource management is linked to dynamic capabilities especially from the point of view of personnels' competences and capabilities, which should be led strategically to make the organization more adaptable, faster to react and thus meet new demands. Based on the data, the most important link between SHRM and DC is the competence management and development entity. Multiple interviewees highlighted multi-skills, flexible workforce, and micro-skills that make individuals more adaptable and thus the organization more competitive. In terms of flexible workforce, for example, gig teams or dynamic teams were mentioned, where the rigid structure is not preventing adaptation to new demand, for example. Dynamic capabilities are thus also linked to dynamic and agile organizational structures, matrix relationships, and the management system.

“The more one person is able to do different tasks, the more it will benefit the business.” (Interviewee 1)

“There should be people who would then be able to go to gigs.” (Interviewee 2)

“As diverse a competence as possible, that there is not too homogeneous a group working, that everything is now in the same competence background and knows the same things. Then it has a much narrower capacity, that of being able to

adapt to changes in the operating environment. Because they [changes] can be anything in principle.” (Interviewee 9)

“More than that, we are moving towards each being a bit like a self-employed person in our own role.” (Interviewee 2)

“We are much better at adapting to that change around us if we are able to do a bit more broadly in the same role on a team level and on an individual level. If we have such micro-level expertise in teams enough, then we will certainly be much more adaptable then, in fact.” (Interviewee 3)

“If we consider this wavering nature of business, we should increase the proportion of flexible labor. The requirement for efficiency increases and the amount of flexibility should increase when we should be able to scale this up to our people and service. We're gonna need a little bit of a different profile here.” (Interviewee 6)

“In a way, we put together project teams, kind of hubs, with which we always adapt more quickly to those situations of change, when we do not have such fixed structures that then stiffen us in many situations of change.” (Interviewee 3)

Strategic human resource management, which supports the strengthening of capabilities not only with substance-related multi-skills, but also with the ability of mental development, thinking development, and emotional handling, organization is seen to be more adaptable, with higher resilience and working capacity. This is seen in the long term as an improvement in work ability, employee well-being and commitment.

“We need a corporate culture that can create such a safe and peaceful atmosphere. To have the courage to make those decisions at all. And we can control

that turnover. A person, having such mental peace, is able to accept changes even better.” (Interviewee 6)

“You have to be able to lead a person more strongly than a thing. And specifically, to help that person himself/herself to develop, his/her thinking to develop. And to develop the team members' own ability to solve issues.” (Interviewee 3)

“A dynamic changing environment typically causes a small amount of change pain. As an organization, it is good to have an understanding and structures then provide adequate support. I also see here that HR in particular has a key role to play as a kind of feedback channel, coach and filter, in which case we need to have that opportunity in the structures for people to overwhelm the pain of change. It requires structures from the organization to support both that emotional change, and then, in practice, those certain muddy things, their substance expertise.” (Interviewee 3)

“Training in the mental side, mental reinforcement and interpersonal skills is required.” (Interviewee 6)

4.3 Critical SHRM practices supporting supervisory work

The interviews covered themes that explored strategic human resources management practices and which of the practices, as well as how these practices would best support success in supervisory work, considering the dynamic, rapidly changing operating environment. Two clearly emerging practices were found in the responses of all the interviewees: competence development, and management system related to performance management. In addition to these two main themes, the responses were repeated with an HR system that supports up-to-date information management and recruitment, in which, as a rule, a new workforce is acquired that has the required capability to solve problems, adapt to situations and quickly learn new things.

4.3.1 Performance management

A management system or model attached to performance management that rhythms each week, creating a structure for how often to meet, with what composition and what content, as well as what role and who reports what, is found to create a safe framework for each role, enabling the flow of information and the sharing of information, and the progress of the issues on the agenda at any given time. The management system is implemented at every level of the organization, which is also seen as the most important channel for the implementation of strategic goals, as step by step information moves forward in the organization in the forums of the management system.

“This our management system, what we must do on the day, as well which meetings each one attends, who reports what and what is the role of who. I would say that it is the number one thing, even for a new supervisor, that he/she has some kind of frame with which he/she does when someone else has spent time and effort on it and thought about what serves the flow of information and the fact that we will have all the necessary agendas handled electronically.” (Interviewee 6)

“We have certain kind of standard forums in the management system where we go through things every week. They give a good support to it [the supervisory work].” (Interviewee 7)

“Now, especially when there are a lot of things and changes, it is good that we have such a foundational foot, that this machine grinds and everyone has their own piece in it.” (Interviewee 6)

“The core thing is that the company has a management structure, which means that there is a certain frequency and certain rules according to which you meet: with the top management team, the middle management teams and the field

supervisor teams. Let's put together a certain frequency on certain days of the week, in addition to which we have on to one conversations and goal and development discussions. It is a tool for conveying the message from up there down.”
(Interviewee 3)

The management system and performance management were also accompanied by the minimum standards in use in the organization, which guide the acting of each role. The minimum standards tell what everyone should do in their role, at the very least, also in the middle of a rush. In minimum standards, every role with goals has been chewed up to make a practice that steers towards a bigger strategic goal. The aim of the minimum standards is to guide the fact that in a flood of huge information, each of the supervisors knows what the most important tasks are that will guide them towards goals and good performance.

“Each person in their own role knows the minimum things that must always be managed no matter how busy they are.” *(Interviewee 7)*

“The management structure is strongly crystallized into minimum standards. If you don't meet, you can't lead. It means that we can't lead those agreed-upon things forward in teams if we don't stick to the structures of leadership and meet each other.” *(Interviewee 3)*

“There are certain things that are defined in the way we have to do things. We must have some golden thread and a guideline around which we can then safely build the ways in which we work.” *(Interviewee 5)*

However, in a large organization, the challenge lies in the fact that regional differences can be large, and at the individual level, the supervisors can be at very different levels. The regional situation, for example due to the nature of customer relationships, employees' competences and capabilities or the market situation, poses a challenge to the

management structure derived from the middle when doing things on one side is much higher than the minimum standards, and on the other they are exceeded just by the bar.

“We must have had the minimum standards at this level a long time ago to keep us [the business] alive.” (Interviewee 2)

However, the minimum standards support that the roles are clear, and everyone knows what is expected of them. This was reported in interviews to support the success of the supervisors.

4.3.2 Competence management and development

Another main theme that was repeated from one interview to the next was competence management and development. It was found that training and coaching of all personnel, including supervisors, was a prerequisite for having sufficient dynamic capabilities at the individual, team, and organizational levels. It was seen as very important that if the overall strategic level goals and actions are going downhill, the input related to competence development should go from the bottom up in the organization. This means that the flow of information about observed new competence needs and changes in operations would actively travel from where the need is perceived upwards to, for example, an HR organization that, together with top management, plans and decides on larger policies, priorities and target spaces. Strategic competence management and development therefore requires stronger employee involvement. On the other hand, however, it should be purposefully derived from an HR organization, for example, to ensure the implementation of sufficient competence development.

“For example, we would listen to the practical training needs of the employees as to what kind of additional or refresher training they would require. There are a lot of things that live and change all the time.” (Interviewee 5)

“This environment is changing so quickly, and it should be constantly developing that expertise in the right direction. You have to look at it from every direction, that if in the past I have always answered that things often come from the top down, then here it has to come from the bottom up as well. And then a little laterally, of course, you have to move around in that field, listen and talk to our organization. There's a lot of things going up.” (Interviewee 7)

“There should be more demand from HR that these specific trainings be completed by the supervisor during the year. This ensures that everyone develops their own activities during the year as well.” (Interviewee 5)

“But maybe I would say that training the staff and supervisors is really important.” (Interviewee 1)

“Education paths are a big thing.” (Interviewee 6)

The expansion of substance competence is considered important, which was noted in the previous sub-chapter in relation to the benefits of multi-skills in a dynamic operating environment. On a strategic level, this would require mapping competence needs in the longer term and on a broader scale, in relation to what the strategic goals and priorities will require in the future. As competition in the market is particularly fierce at the moment, competence development is also seen to be linked to competitiveness. In order to be selected as a service provider, certain qualifications and competencies are required for the basis of many invitations to tender.

“We need to invest in long-term HR processes such as competence development, what needs we have for competence development that are not present right now, but if we look at the future, we need to see that in the big picture we have to

achieve certain abilities or competencies, or a certain number of certain types of qualifications or whatever.” (Interviewee 3)

“Even from the point of view that the basis of many invitations to tender, that we can even necessarily offer, so our business case can dry up when we do not have sufficient qualifications.” (Interviewee 6)

“We should have our own training paths for certain areas of expertise in the company, which would ensure that we have a sufficient number of experts also in the future.” (Interviewee 2)

“We should make sure those growing people come work for us. The strategic HR support would be to make the trainee pattern as good, efficient and easy a process as possible.” (Interviewee 8)

However, alongside this, mental reinforcement and training, support for change capabilities, development of thinking and problem solving, and support in increasing resilience were seen as significant. Many interviewees stressed the importance of coaching the supervisors in their roles.

“The fact that we get people through trainings to strengthen their own role and kind of give them a certain boost to be able to have a little chest on the ratting and bang their suspenders.” (Interviewee 6)

“Through coaching, HR can go through things on an individual level to help increase resilience and, on the other hand, help identify what is most important to do.” (Interviewee 3)

*“Coaching grip, more content-based support that will help supervisors succeed.”
(Interviewee 10)*

“Trainings related to mental growth. Mental training and interaction skills. How I deal with people and how I react to things.” (Interviewee 6)

This is also reinforced by the fact that when asked about the most important abilities and capabilities of the supervisor in a dynamic environment, intelligence and problem-solving abilities, learning ability and speed, high resilience, and the ability to self-management emerged from there as the strongest. As well as an attitude to the fact that today's working life is, as a rule, very dynamic.

“You work with your heart, you accept nothing is ever finished and you are a determined leader of yourself, then everything will be fine.” (Interviewee 8)

“There has to be a certain intelligence. There are roles that actually require more intelligence than normal. There are just challenging jobs, and no matter how hard one tries, it may not have the resources to do so. It's a good thing to be aware of. But of course you can compensate for these by being active and developing yourself and being interested and eager to work.” (Interviewee 2)

“Resilience, the ability to self-management and then that transfiguration and the ability to separate from many streams that most essential doing.” (Interviewee 3)

“Then at the same time learning ability and that speed of learning. New things come in every week.” (Interviewee 6)

*“I guess it's just that you're ready for that change in the first place. Mentality.”
(Interviewee 7)*

“The ability to handle changes professionally, or whether it is through neutral or positive, does not matter in itself. You have to know how to deal with it, so that this is just part of this life and this working life, that you can't stay lying there in the old one.” (Interviewee 6)

4.3.3 Information Management and Selection in the recruitment process

In addition to the SHRM practices discussed earlier, the responses of several interviewees emphasized the functionality, timeliness, simplicity and business orientation of the human resource information system. A clearer overall view of personnel indicators provides information on history and the present and enables the use of data to support decision-making. This is seen as significant, as people in a supervisor position have to make a lot of decisions, and often even on a really fast schedule. In the service sector, which is staff-intensive, decisions often have an impact on staff and vice versa. The fact that the systems and the information obtained from them support the supervisors in making decisions based on factual information is seen as significant.

“The HR system exists at all and there is the right information to make it as easy to manage with information as possible.” (Interviewee 8)

“You have to be able to make tough decisions pretty quickly.” (Interviewee 5)

“Systems support that things are in a definite form.” (Interviewee 10)

“It is also easier to justify things to others in the team when you get the numerical fact that this is what it was worth doing for the sake of the business, or there is some other law or test interpretation. When it is behind a fact, then your life is easier, and it is equal for everyone anyway.” (Interviewee 6)

The fourth clear practice is the importance of selection in the recruitment processes. When recruiting a new workforce, it is important, especially in supervisor positions, to ensure that the right people are acquired in terms of their capabilities and characteristics. Individuals should be suited to the company in question, its culture, the fast-operating environment typical of the industry, and market fluctuations. In addition, fulfills the qualities that have been identified as important to the supervisor, as previously mentioned: high resilience, the ability to self-management and learn quickly. The interviews also found that a person either has or does not have dynamic capabilities, and if working in a company or in a supervisor role require these capabilities, the person should make a huge change in themselves. This is not always possible, and then the turnover is found to be healthy and welcoming, so that a more suitable individual can be selected in the operating environment.

"Sometimes no training is enough if the person is wrong for the task." (Interviewee 6)

"Recruiting the right people." (Interviewee 8)

"It is, of course, how recruitment does its job in that the starting point would be as suitable as possible for that role and this environment." (Interviewee 10)

"After all, we are all different as we know, and some are less changeable than others. Others seek change. Others try to avoid it and seek harmony and security and peace around them, even if there is a need to change." (Interviewee 10)

"We in the recruitment functions understand what kind of features are required and try to detect them at the recruitment stage to support this." (Interviewee 3)

4.4 A vision of future's supervisory work and required organizational support

In practice, the operating environment, or working life in general, is seen as established dynamic, allowing dynamic capabilities to be seen as even the default for success in different roles throughout an organization, and as the sum of individuals as a whole organization. In the future, the content and requirements of supervisory work will be seen to change with it.

“Yes, in today's world, in every organization, that kind of resilience and readiness for change is the most important thing.” (Interviewee 9)

It is estimated that technology development will reduce certain manual work from the supervisors, and it will either be automated or can be handled by someone from, for example, the company's support services. As a result, humanity, leading people, encountering and dealing with different emotions are seen to grow. The role of the supervisors is seen to increase more in the direction of people management, leadership and coaching, and the responsibility of employees increases in substance matters.

“On-site leadership is even more emphasized.” (Interviewee 1)

“Coaching leadership is the thing and kind of a low hierarchy.” (Interviewee 2)

“There will still be a lot of case management, but the human perspective and the ability to lead people also raises its head when things change in that everyday life so suddenly, so one must be able to understand and accept the feeling of the team members and deal with it in a different way.” (Interviewee 3)

“In the future, we will go more to the digital side and machines will do more.” (Interviewee 5)

“Technology takes care of such easy things on the side. Then the more humane things and the deeper things, after all, they are left to the supervisor to deal with.” (Interviewee 7)

“The supervisor has to let go of the work tasks that they are currently doing. Things that could happen by someone else or by technology. Then there would also be more time for the right things, i.e. team members and customers.” (Interviewee 8)

“More about recognizing those capabilities in one's own team and relying on those capabilities.” (Interviewee 8)

The multi-skills highlighted earlier in the findings section also continue to repeat themselves to this question, as diverse dynamic capabilities, as well as competencies, are seen to be emphasized, and enable rapid observation, response and change of direction. However, the demand is growing that in a rapidly changing, dynamic environment, more and more self-management skills are needed, as well as tolerance for incompleteness, as in the flood of knowledge and opportunities, supervisors must identify those directions and do the decisions that are significant. Acceptance of dynamics, thus accepting mistakes, is seen as valuable for future supervisor work. Recognizing the presence of established dynamics and accepting the challenge it poses, one dares to trust and commit, as well as make bold decisions and take risks, as no one knows what is to come. Proactivity is seen as a major factor in here, and only with proactivity company can achieve the top place in the market.

“You have to be able to run yourself pretty damn well.” (Interviewee 8)

“That role [the supervisor] has expanded quite a bit from what it was when I started, even at such a fast time that there are a lot more things in it. This will certainly continue to be the case in the future.” (Interviewee 1)

“Everyone would do a little bit of everything so that the organization would be as adaptable and extensive as possible.” (Interviewee 1)

“Sometimes, through mistakes it is the only way to learn. You also have to dare to make mistakes, so to speak.” (Interviewee 5)

“By changing the culture, one can also fail.” (Interviewee 6)

“You can't play that role [supervisor] without flexibility and ability to change.” (Interviewee 6)

“The first thing is to do more proactively.” (Interviewee 8)

Aiming to answer to the third research question about how organization contributes supervisory success in terms of dynamic capabilities, among the interviewees, particular emphasis on organizational level was placed on clarifying roles, responsibilities and structures. Another important point was the utilization of system development, thus improving the flow of information and providing sufficient and correct resources for support services to be business oriented. As a result, adding sparring and coaching roles between top management and production is also seen as a significant pillar. Clarifying and simplifying strategic focus points would be seen as enabling a peace to do supervisory work that could ensure better dynamic receptiveness.

“Those goals need to be clear enough. What we are aiming for, and then after that we have to help with how we reach those goals and then again with why we are doing it. Understanding the whole chain.” (Interviewee 7)

“Clarification of supervisor roles and more assistance from support services.” (Interviewee 2)

“Clear structures, smooth operating models and common frameworks for that work. Clearly communicated common direction, that you know what is expected of you and which direction we are going.” (Interviewee 10)

“As an organization, it is good to have the understanding and structures to provide adequate support [to supervisors].” (Interviewee 3)

“I believe that these middle management and top management supervisor roles that the world is increasingly going to become coaching roles.” (Interviewee 3)

“For the future, I'd put some shots on the IT system side.” (Interviewee 4)

“We should make more use of technology in our everyday work.” (Interviewee 5)

“We have a good platform for knowledge management, which means we have the systems in order.” (Interviewee 8)

4.5 Summary of the key findings and the revised framework

According to the findings of this case study, the operating environment of the company in question, as well as the global situation, is seen as very dynamic and difficult to predict. Based on the findings, dynamic capabilities are very important for competitiveness, and the organization's dynamic capabilities are seen as the sum of the dynamic capabilities of the employees of the company and agility of the structures of the company.

The results show that the role of the supervisor is seen as very important, even the most important role of the organization. In relation to the content of the role of the supervisors, the results of the study have been compiled in Table 3, which also presents how the different elements were divided among the interviewees. This data supports the theoretical knowledge that the role of the supervisor is very multifaceted, as well as significant for the success of the whole business, as well as the well-being and commitment of the employees being managed. Still, not forgetting the responsibility of supervisors in implementing the strategy, and as interviewee 9 stated, "the strategy is lived out in everyday life".

According to the study, it can also be stated that the dynamic capabilities of supervisors are almost necessary to play a role in the current global situation. From the data can be highlighted the dynamic capabilities required of supervisors to succeed in the task, which are also shown in Table 3. If these capabilities are compared to the previously presented illustration of the theoretical framework in this study (Figure 6), it is seen that the desired behaviors of the supervisors presented in the framework are almost entirely consistent with these empirical results. Behaviors or abilities are in some ways expressed more specifically in everyday language in this research data. However, when comparing these empirical results with the theoretical framework of the study, all that was missing was a clear expression of effective anticipation and recognition of change, and the promotion of a shared sense of pride. As new information, this study revealed the importance of social skills due to increasing humanity, as well as motivation and attitude towards this "new normal" situation.

Table 3. Findings of the role of the supervisor

		Emerg ed with the following interviewees:
The role and responsibilities of the supervisor	<ul style="list-style-type: none"> • Employee well-being, work ability and safety • Resourcing, operational management • Customer relationships • Financial management • Coaching, sparring, exchange of ideas, support • Strategy implementation 	<ul style="list-style-type: none"> • 1, 2, 6, 7, 8 & 10 • 1, 2, 4, 6, 7, 9 & 10 • 1, 2, 3, 4, 6 & 7 • 1, 2, 4, 5, 6, 8, 9 & 10 • 2, 5, 6, 7, 8 & 10 • 2, 3, 5, 8, 9 & 10
Identified dynamic capabilities of supervisor	<ul style="list-style-type: none"> • Problem solving • Selg-management • Capability, intelligence • Learning capacity and learning rate • Adaptability • Attitude • Resilience • Social skills • Proactivity • Motivation 	<ul style="list-style-type: none"> • 1, 2, 8 & 9 • 3, 7 & 8 • 2, 3, 5, 6, 7, 8, 9 & 10 • 2, 4, 5, 6, 8 & 9 • 1, 6, 7, 9 & 10 • 4, 6, 7, 8 & 9 • 1, 3, 6, 8 & 9 • 2, 3, 4, 5, 6, 7, 8, 9 & 10 • 2, 4, 5, 6, 8 & 9 • 5, 6, 7 & 8

4.5.1 Strategic human resource management practices

According to the findings, strategic human resource management and its practices are challenging to separate from operational, daily HR practices. Alternatively, it is seen that strategic HR decisions, goals, or activities have not been made visible or communicated clearly within the organization. As an operational support, legal HR consulting raised in every interview as the most important practice of all the purpose of the HR function. Additionally, as an operational support resourcing emerged with two interviewees, and salary calculation with one interviewee. Many interviewees, including HR representatives themselves, cited business understanding and business orientation as the most important feature of HR function.

From a strategic point of view, however, the interviews showed five clear categories that are considered significant long-term HR practices, the so-called SHRM practices that support the supervisor to succeed in their tasks and perform well. These practices are

presented in the Table 4 below, also introducing the distribution of how topics emerged in interviews. In the case company, based on this study, performance management is seen as a significant support element, especially through the management structure and role-specific minimum standards. In these practices, the company's strategic goals have been modified to make everyday life practical, guiding performance in the right direction, while enabling the flow of information and monitoring progress. However, competence management and development emerged as an even stronger category, appearing in every interview. Based on the data, the maintenance and development of competences and content-orientated coaching support of supervisors is seen as the most significant factor for the supervisor to succeed in his or her work in a dynamic environment.

As a third consideration, the importance of recruitment and selection emerged from the data. It is important that supervisors with the previously mentioned dynamic capabilities are selected in the company, which are thus suitable for the operating environment as well as the company's culture, structures and operating models. A few interviews also mentioned the human resource information system and the good information management that it enables.

Table 4. Findings of the critical SHRM practices

		Emerged with the following interviewees:
Critical SHRM Practices supporting supervisory work	<ul style="list-style-type: none"> • Performance management: management system / model / structure • Performance management: role-specific minimum standards • Competence management and development, coaching • Human resource information system (HRIS) • Recruitment / staffing 	<ul style="list-style-type: none"> • 1, 3, 4, 5, 6, 7, 8, 9 & 10 • 3, 5, 6, 7, 8 & 10 • 1, 2, 3, 4, 5, 6, 7, 8, 9 & 10 • 4, 5, 8 & 10 • 1, 2, 3, 6, 8, 9 & 10

4.5.2 Synergies between SHRM and DC

One of the purposes of this study was to investigate the synergy between SHRM and DC, because a gap between these two was found based on the theoretical knowledge. According to the findings, there is a connection between these two theoretical approaches, and these connections are summarized in Table 5. In particular, the links were found between dynamic capabilities and strategical competence development leading to multi-skills and flexible workforce. Thus, organization strategically develop the dynamic readiness of individuals as well as the organization to predict, identify, react and transform as required by the operating environment.

Another aspect of the connection between the two theories is seen to be in competitiveness based on this research data. Competitiveness emerged in the interviews from two perspectives: the ability of the business to compete in the market and the competitiveness of the company as an employer. When a company implements the proven SHRM practices mentioned in the previous sub-chapter, it is seen that the company's personnel with good dynamic capabilities and versatile, extensive and adaptable expertise is almost the most important competitive asset in the market. On the other hand, equally, these factors appear to affect to the well-being of the staff and their experience to be more engaged, and more motivated. In this case, the company is also seen as an attractive employer in the employee market.

Table 5. Findings of the synergy between SHRM and DC

		Emerged with the following interviewees:
Synergy between SHRM and organizational DC	<ul style="list-style-type: none"> • Competitiveness in the market • Competitiveness as an employer • Competence management and development, multi-skills • Organizational structures, dynamic teams, flexible workforce 	<ul style="list-style-type: none"> • 3, 6, 7, 8 & 9 • 3, 6, 7, 8 & 10 • 1, 3, 5, 6, 8 & 9 • 1, 2, 3, 6 & 9

4.5.3 Organization contributing success of the supervisors

The study also found answers to a third research question, which sought to find out how organization could contribute supervisors to success in their role and at the same time support their dynamic capacity building. The factors are summarized in Table 6, which also represents the distribution of categories among the interviewees.

According to findings content-based coaching in leadership, as well as the whole competence management entity is the most significant practice at the organizational level. The importance of this theme arises from another important factor in which the use of technology can free up more supervisors' time specifically for human-centered issues. On the other hand, it is also stated that the company's clear structures, processes, as well as the clear roles of supervisors with their expectations, support the creation of a certain peace of work, which is seen to make individuals more capable of embracing change and operating in a dynamic operating environment. Open and active communication, as well as acceptance of the instability, incompleteness and mistakes caused by a dynamic environment, also play a very important role.

Table 6. Findings of the organizational factors supporting supervisors

		Emerged with the following interviewees:
Identified organizational factors supporting emergence of supervisors' DC and supervisory work success	<ul style="list-style-type: none"> • Digitalization, utilizing technology and artificial intelligence • Coaching in leadership and dealing with different emotions, humanity • Competence management and development, strengthening multi-skills • A culture of mistakes and toleration of incompleteness • Clear roles, responsibilities and goals • Low hierarchy, clear and agile organizational structure and processes • Active and open communication 	<ul style="list-style-type: none"> • 2, 4, 5, 7, 8, 9 & 10 • 1, 2, 3, 5, 6, 7, 8, 9 & 10 • 1, 3, 5, 6, 7 & 9 • 3, 5, 6 & 8 • 2, 3, 5, 6, 7 & 10 • 1, 2, 3, 4, 8, 9 & 10 • 1, 3, 4, 5, 7, 8, 9 & 10

5 Discussion and conclusions

This study delved into the role of the supervisor and its success factors, especially from the perspective of strategic human resource management and dynamic capabilities. The purpose of the study was to explore synergies between strategic human resource management and dynamic capabilities, and to further explore at the organizational level which SHRM practices and organizational factors support supervisory success in a dynamic environment. The study was conducted as a single case study for a large Finnish company, which employs a total of approximately 8,000 people. Instead of the entire organization, the study focused on a single unit of business that employs about 1,000 people as a result of the particularly large and numerous changes it has faced in the operating environment and thus in the organization. Because the study utilized the philosophy of interpretivism, it made it possible to examine mechanisms and behaviors by focusing on the experiences and views of the individuals being interviewed. The study used both inductive and deductive research approach, utilizing existing theories and testing them, but also to seek new theoretical information to fill earlier research gaps formed by the studies especially with synergies and mechanisms between strategic human resources management and dynamic capabilities in terms of supervisory success and performance.

This section aims to answer research questions, as well as discuss them in the light of theoretical knowledge. This section also discusses the topic from the perspective of gained secondary data, such as observations and other internal materials within the company. The section provides theoretical and managerial contributions, as well as the suggestions for further research and reflection of the limitations of this study.

5.1 Theoretical contribution

The data collected from the interviews confirms the theoretical view by Chadwick et al. (2015) that the company's strategy, guidelines and priorities are set by the top management, but the responsibility for implementation falls to the level that performs and their supervisors. Chadwick et al. (2015) also emphasises the importance of middle management as a link between top and lower management with communication by converting the message into practice and supporting supervisors in the implementation. The interviews provided this same observation that middle management acts as an important link, a transformer of the message, and as a practical, local goal-setter. However, it is noted that the supervisors closest to the level of performance are the most important asset of the company.

According to Helsilä & Salojärvi (2009, p. 97) the role of human resource management function is to ensure the development of supervisory work, while good HR system is also associated with the positive effects to the performance (Apascaritei & Elvira, 2022). The data generated from the interviews confirms that the role of the daily HR function is seen as necessary for the success and development of the supervisory work, especially in sparring labour legislation and various challenging situations. When theoretical knowledge emphasizes also the importance of strategic human resource management as part of increasing efficiency, profitability and employee engagement in an organization (YuLing et al., 2023), the data indicates that strategic human resource management is not yet known so well as a concept or function, nor is it fully utilized, even though a positive connection to performance is seen to exist.

As for dynamic capabilities, both in individual and organizational level, were identified in the interviews as essential in this world situation, and in today's work and business life. This result supports the theoretical knowledge that only dynamic and thus resilient companies can survive in an ever-changing, surprising market situation (Lengnick-Hall et al., 2011).

5.1.1 Synergies between SHRM and DC drives the competitiveness of the company

The first research question for this study was formed as “What are the synergies between Strategic Human Resource Management (SHRM) and Dynamic Capabilities (DC) in terms of performance?”. The following paragraphs provide an answer to this question.

Previous studies have identified research gap between the synergies of SHRM and DC, and especially with the mechanisms between these two, which would lead to firm performance (YuLing et al., 2023). Based on this first identified research gap, the first research question arose, and in response to the question, this research specifically sought to understand the different factors, mechanisms, and processes between the two theoretical concepts. The findings provide new information and contribution to the literature of strategic human resource management and strategy research. The interviews featured two dimensions, in which the relationship between SHRM and DC produces positive results. These two dimensions are competitiveness in the business market and competitiveness in the employer market. Mechanisms behind these dimensions, which emerged in the interviews, is seen to be competence management and development, which is seen to have an impact on dynamic capability. This finding supports the created theoretical framework of the study (Figure 6), where the competence management were identified as a crucial factor. Additionally, framework of HRM dynamic capabilities by Apascaritei & Elvira (2022) in which the one function of HR system is to support knowledge-building capabilities in the organization supports this finding.

These positive results and impacts in these two market dimensions are achieved especially through strategical, long-term competence management and development, through which multi-skills and flexible workforce in particular play a significant role. According to the findings of this study, a company is more competitive, and supervisors as well as the company performs well, when multi-skills are supported and developed. This type of strategic competence development leads to a more flexible and adaptable workforce and good dynamic capability, which leads to good performance and competitiveness. When the personnel have sufficient multi-skills and the structure allows the

flexible organization of the staff, the company is able to better respond to the new needs of the clients, and the fluctuations in demand and unstable operating environment thus do not sway the stability and resilience of the organization so much. This brings more depth to literature by supplementing the details to the model of HRM dynamic capabilities created by Apascaritei & Elvira (2022). This finding of multi-skills and flexible workforce also facilitates the work of the supervisors in highly competitive service sector, who are responsible for providing the service to the clients, as well as the financial result alongside the leadership work. On the other hand, an employer's market is seen to have a lot of value in maintaining and developing employees' skills. In this way, the employer is seen to take care of the personnel, which improves commitment, well-being and motivation. This will make it easier to attract new talent to the company if needed. These results brought new information by dividing into two different categories in terms of competitiveness, in different markets.

5.1.2 Key SHRM practices for supervisory work focuses on performance and competence management

When delving even more deeply into strategic human resource management and the effectiveness of its practices in supervisory work, the research focused on identifying SHRM practices that specifically support the success of supervisors in a dynamic operating environment. The second research question was formulated as follows: "What SHRM practices are most influential in supporting supervisors to success and performance?". The following paragraphs provide the answer to this question, as well as new information for the field of strategic human resource management.

Traditional, operational HR practices can be defined as a bundle of different HR activities, related to legal employee relations, and phases of the employment lifecycle such as resourcing, learning, performing and evaluating and rewarding (Armstrong & Taylor, 2017, pp. 29-31). HR practices become strategic (SHRM practices) when they are integrated into the company's business strategy and shaped to meet long-term goals, changes and

learning (Mäkelä et al., 2012). Many operational HR practices emerged from the interviews, which were considered as inevitable and important pillars in the everyday lives of supervisors. Strategic HR practices, on the other hand, were generally not identified as such prominent and well-known activities.

According to secondary data based on observations and discussions, it can be stated that the company in question operates in an extremely competitive, labour-intensive and low-margin sector, where labour costs and resource planning are vital for business. This translates into an eye-catching focus on operational work and the solution of daily problems. Because effective operational management is so important, there is easily less bandwidth left for a strategic perspective, which can partly explain this result.

However, from a strategic point of view, the interviews revealed clear areas in SHRM practices, which, by further developing and also making them more visible, would have significant benefits for supervisors' performance and success in their work. These areas of strategic human resource management practices were performance management, competence management, selection, and information management enabled by the human resource information system. The management structure and role-specific minimum standards were seen as important in performance management, in which the strategic goal has been shaped into a clear tool that guides everyday life and clarify tasks to focus on. In competence management, people- and content-oriented coaching in particular emerged as the most significant perspective, but also ensuring sufficient substance competence in relation to strategic priorities in the future. Selection in recruitment processes was seen as a very important strategic function to support the acquisition of the right kind of workforce with the right capabilities and characteristics to fit the operating environment and company culture also in the future business scenario.

These findings support the theoretical framework established in Section 2.4 (Figure 6), which was created on the basis of a literature review, and thus prove it to be true. The critical practices found in this study are exactly the same (selection, performance management and competence management), in addition to which the study introduced the importance of information management with the help of an human resource information system. In the literature special attention related to supervisory work success has been given to performance management, which is seen as a basic, functional element in leadership and management (Sydänmaanlakka, 2012, p. 231). However, on the basis of this study, it can also be found to be significant from a strategic point of view as Helsilä & Salojärvi (2009, p. 91) noted. In the best case scenario, strategic performance management can be used to implement strategic goals to make everyday life, as has been done in this particular company with the management structure and minimum standards. Performance management as an SHRM practice, should turn more on development orientated performance management, which would also support competence management according to Ketkar & Sett (2009).

Relying on secondary data, it can be seen from the strategy materials that in coming years, in terms of human resource management, company emphasises the development of on-site leadership, the strengthening of certain areas of expertise that are important for business, and the more flexible use of labour through changes in operating models. This strengthens the reliability of the information gathered from the interviews.

5.1.3 The organization creates the prerequisites for success in supervisory work

Focusing on the important factors of success in supervisory work, the study wanted to find out how to support the success and performance of supervisors at the organizational level, but also how to strengthen dynamic capabilities in supervisors. This led to the creation of a third supplementary research question, which was formulated as follows: "How to support the emergence of dynamic capabilities of supervisors and success in their role at an organizational level?". The following paragraphs will discuss about this question.

The main finding, which emerged in the interviews is crystallized in the same theme of competence management, which has already been repeated in previous questions and chapters. This leads to the conclusion that competence management and development is the most significant factor in the success of supervisors in terms of strategic human resource management and dynamic capabilities, as well as in the success of the whole organization. Competence management and development can be used to maintain and grow the dynamic capabilities required by the operating environment and market situation. This is connected to Apascaritei & Elvira (2022) statement that specific relationship between SHRM and DC have been found to be in organizational ambidexterity, learning capacity and HR flexibility. However, these practices and their contents have not previously been found so precisely defined.

The clear and agile structure of the organization, the clarification of roles with goals and responsibilities, is also seen as an essential part of promoting the dynamic capabilities and successes of supervisors. This can be seen also as a part of performance management according to Armstrong & Taylor (2017, p. 391-393). Creating a culture of open communication and accepting mistakes also emerged among the themes in the interviews, which is supported also by Ketkar & Sett (2009). However, the interviews pointed that in the scenario of a future supervisory role, it is seen that technology will increasingly support the work of supervisors, which frees up the role's time for other relevant issues, such as team leadership and customer work, which is new information as well.

Such a result also emerges in the secondary data from the personnel survey of the autumn of 2024, where 78% of the personnel in the service line in question have responded and raised the hopes of clarifying communication, operations and management, and re-considering, thus developing the content of the most critical supervisor role, due to the challenges of time use. This were also highlighted in the interviews of this study, as well in the literature review by Helsilä & Salojärvi (2009, pp. 112-113).

5.2 Managerial implications

In addition to theoretical findings and contributions, this study provides also managerial implications. These findings are not only useful to the case company in question but are useful and generalizable to all companies in the service sector, providing practical tools for strengthening dynamic capabilities and supporting supervisory work. This study also supports the understanding of the importance and diversity of the supervisory role, emphasizing responsibility for strategic deployment, which is constantly challenged by the dynamic operating environment.

Additionally, the research results highlight the importance of strategic human resource management, regardless of the importance of operational efficiency. Could it be that by focusing more on strategic human resource management, doing things in the long run, planned and inclusive, companies would be able to reduce operational, ad-hoc HR activities.

From the perspective of strategic human resource management and dynamic capabilities the study provided clear practical suggestions how to support supervisory work. The main proposals are presented briefly in the Figure 8 below. The most important aspect is to enable fluent supervisory work with as clear and agile processes and structures as possible. The work of supervisors is supported by focusing on the most important things by clarifying the roles, including supervisory roles as well as other roles in support services and upper in the line. By investing in performance and competence management on a long-term basis, supervisors are likely to be more dynamically capable in the future as well, which leads to performance and competitiveness. If company is able to strengthen open communication, make the successes visible and create culture, where incompleteness as well as mistakes are also accepted, are supervisors more engaged.



Figure 8. Managerial suggestions of the study

5.3 Limitations and suggestions for future research

This study was conducted as a single case study which creates constrains. If the study had been executed as a multiple case study, the results could have been compared between different companies and a view could be obtained of how the results differ, for example, between companies of different sizes and in different industries. The study also focused on one business unit rather than the entire organization. As a result, similar studies could be conducted in the future in different units of the company, which could provide valuable information and practical tips on practices suitable for different parts of the organization.

Moreover, the study focused on a Finnish company which operates in Finland. This creates geographical limitations, while the study does not provide an insight into how the outcome could change if the company operated more globally. In the future, research could be expanded by conducting similar studies on several companies, in several industries and in several geographical locations. The vision could be expanded both within Finland and in Europe, as well as globally. In addition, it might be interesting to explore a more deeply the findings of the study of the divided market, related to the company's ability to compete in business market and in employer market when talking about the synergies between SHRM and DC and their effects.

References

- Al Daheri, M. H., Ahmad, S. Z. & Papastathipoulos, A. (2024). Do environmental turbulence, dynamic capabilities, and artificial intelligence force SMEs to be innovative? *Journal of Innovation & Knowledge*, 9(3), 100528. doi:<https://doi.org/10.1016/j.jik.2024.100528>
- Apascaritei, P. & Elvira, M. M. (2022). Dynamizing human resources: An integrative review of SHRM and dynamic capabilities research. *Human Resource Management Review*, 32(4). doi:<https://doi.org/10.1016/j.hrmr.2021.100878>
- Armstrong, M. & Taylor, S. (2017). *Armstrong's handbook of human resource management practice* (14th p.). New York: KoganPage.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 99-120. [https://www.fer.unizg.hr/_download/repository/Barney_-_Firm_Resources_and_Sustained_Competitive_Advantage_-_Lecture_9\[1\].pdf](https://www.fer.unizg.hr/_download/repository/Barney_-_Firm_Resources_and_Sustained_Competitive_Advantage_-_Lecture_9[1].pdf)
- Bellis, P., Cunial, M. & Trabucchi, D. (2024). Mastering hybrid worlds through digital leadership: The role of agility in fostering innovation. *Business Horizons*, 67(4), 369-380. doi:<https://doi.org/10.1016/j.bushor.2024.04.002>
- Bieńkowska, A. & Tworek, K. (2020). Job Performance Model Based on Employees' Dynamic Capabilities (EDC). *Sustainability*, 12(6), 2250. doi:<https://doi.org/10.3390/su12062250>
- Boon, C., Eckardt, R., Lepak, D. P. & Boselie, P. (2018). Integrating strategic human capital and strategic human resource management. *International Journal of Human Resource Management*, 29(1), 34–67. doi:<https://doi-org.proxy.uwasa.fi/10.1080/09585192.2017.1380063>
- Chadwick, C., Super, J. F. & Kwon, K. (2015). Resource orchestration in practice: CEO emphasis on SHRM, commitment-based HR systems, and firm performance. *Strategic Management Journal*, 36(3), 360-376. doi:<https://doi-org.proxy.uwasa.fi/10.1002/smj.2217>

- Collis, D. J. & Rukstad, M. G. (2008). Can You Say What Your Strategy Is? *Harvard Business Review*, 86(4), 82-90. Noudettu osoitteesta <https://www.panelquest.com/wp-content/uploads/2016/11/HBR-Can-you-say-what-strategy-is.pdf>
- Eisenhardt, K. M. & Martin, J. A. (2000). Dynamic Capabilities: Wat are they? *Strategic Management Journal*, 21(10-11), 1105-1121. doi:[https://doi.org/10.1002/1097-0266\(200010/11\)21:10/11<1105::AID-SMJ133>3.0.CO;2-E](https://doi.org/10.1002/1097-0266(200010/11)21:10/11<1105::AID-SMJ133>3.0.CO;2-E)
- Eriksson, P. & Kovalainen, A. (2008). *Qualitative Methods in Business Research*. SAGE Publications Ltd. doi:<https://doi.org/10.4135/9780857028044>
- Esenyel, V. (2024). Evolving Leadership Theories: Integrating Contemporary Theories for VUCA Realities. *Administrative Sciences*, 14(11), 270. doi: <https://doi-org.proxy.uwasa.fi/10.3390/admsci14110270>
- Garavan, T., Shanahan, V., Carbery, R. & Watson, S. (2016). Strategic human resource development: towards a conceptual framework to understand its contribution to dynamic capabilities. *Human Resource Development International*, 19(4), 289-306. doi:<http://dx.doi.org/10.1080/13678868.2016.1169765>
- Graebner, M. E., Martin, J. A., & Roundy, P. T. (2012). Qualitative data: Cooking without a recipe. *Strategic Organization*, 10(3), 276-284. doi:<https://doi.org/10.1177/1476127012452821>
- Green, K., Wu, C., Whitten, D. & Medlin, B. (2006). The impact of strategic human resource management on firm performance and HR professionals' work attitude and work performance. *The International Journal of Human Resource*, 17(4), 559–579. doi:<https://doi-org.proxy.uwasa.fi/10.1080/09585190600581279>
- Guest, D. E. (1997). Human resource management and performance: a review and research agenda. *The international journal of human resource management*, 8(3), 263-276. <https://doi.org/10.1080/095851997341630>
- Haarhaus, T. & Liening, A. (2020). Building dynamic capabilities to cope with environmental uncertainty: The role of strategic foresight. *Technological Forecasting and Social Change*. <https://doi.org/10.1016/j.techfore.2020.120033>

- Harris, T. (2020). *Successful Supervision and Leadership : Ensuring High-Performance Outcomes Using the PASE(tm) Model*. New York: Productivity Press.
<https://doi.org/10.4324/9780429058028>
- Helsilä, M. & Salojärvi, S. (2009). *Strategisen henkilöstöjohtamisen käytännöt*. Helsinki: Talentum.
- Hirsijärvi, S., Remes, P. & Sajavaara, P. (2007). *Tutki ja kirjoita*. Keuruu: Otavan kirjapaino Oy.
- Jackson, S. E. (2013). *Behavioral Perspective of Strategic Human Resource Management*. Rutgers University.
https://smlr.rutgers.edu/sites/default/files/Documents/Faculty-Staff-Docs/Jackson_Behavioral%20Perspective%20of%20HRM%20Jackson%20for%20Kessler%20Sage%20Encyclopedia%20of%20Mgt%20Theory.pdf
- Ketkar, S. & Sett, P. (2009). HR flexibility and firm performance: analysis of a multi-level causal model. *The International Journal of Human Resources Management*, 20(5), 1009–1038. doi:<https://doi-org.proxy.uwasa.fi/10.1080/09585190902850240>
- Khaw, K. W., Alnoor, A., Al-Abrrow, H., Tiberius, V., Ganesan, Y. & Atshan, N. A. (2022). Reactions towards organizational change: a systematic literature review. *Curr Psychol*, 13(1). doi:<https://doi.org/10.1007/s12144-022-03070-6>
- Lengnick-Hall, C. A., Beck, T. E. & Lengnick-Hall, M. L. (2011). Developing a capacity for organizational resilience through strategic human resource management. *Human Resource Management Review*, 21(3), 243-255. doi:<https://doi.org/10.1016/j.hrmr.2010.07.001>
- Lin, H.-C. & Shih, C.-T. (2008). How Executive SHRM System Links to Firm Performance: The Perspectives of Upper Echelon and Competitive Dynamics. *Journal of Management*, 34(5), 853-881. doi:<https://doi-org.proxy.uwasa.fi/10.1177/0149206308318612>
- Madhani, P. M. (2010). The Resource-Based View (RBV): Issues and Perspectives. *A Journal of Research of Prestige Institute of Management*, 43-55.
<https://ssrn.com/abstract=1579837>

- Mitchell, R. B. (2020). The interactive influence of human and social capital on capability development: the role of managerial diversity and ties in adaptive capability. *Personnel Review*, 50(3), 865-879. doi:<https://doi-org.proxy.uwasa.fi/10.1108/PR-08-2019-0410>
- Mäkelä, K., Sumelius, J., Höglund, M. & Ahlvik, C. (2012). Determinants of Strategic HR Capabilities in MNC Subsidiaries. *Journal of Management Studies*(49), 1459-1483. doi: <https://doi-org.proxy.uwasa.fi/10.1111/j.1467-6486.2012.01071.x>
- Ntambu, D. & Loang, O. K. (2022). The Impact of Covid-19 on Hotel Industry in Malaysia. *International Journal of Accounting, Finance and Business (IJAFB)*, 7(45), 135-147. Noudettu osoitteesta https://www.researchgate.net/profile/Ooi-Kok-Loang/publication/366320287_The_Impact_Of_Covid-19_On_Hotel_Industry_In_Malaysia/links/639bc3d8e42faa7e75c805b6/The-Impact-Of-Covid-19-On-Hotel-Industry-In-Malaysia.pdf
- Porter, M. E. (1996). What is strategy? *Harvard Business Review*, 61-78. Noudettu osoitteesta https://cdn.paynesht.ir/assets/2_af58ff4da6.pdf
- Richard, O. C.;& Johnson, N. B. (2001). Strategic human resource management effectiveness and firm performance. *International Journal of Human Resource Management*, 12(2), 299–310. doi:<https://doi-org.proxy.uwasa.fi/10.1080/09585190010015105>
- Sajeevanie, T. (2015). Strategic Human Resource Management and Theoretical Background; A Critical Review Perspective. *Proceedings of the Third Asia-Pacific Conference on Global Business, Economics, Finance*. <http://dr.lib.sjp.ac.lk/handle/123456789/6663>
- Saunders, M., Lewis, P. & Thornhill, A. (2007). *Research Methods for Business Students*. Pearson Education UK. Noudettu osoitteesta <https://ebookcentral-proquest-com.proxy.uwasa.fi/lib/tritonia-ebooks/detail.action?docID=5139642>
- Scheuer, L. J. & Thaler, J. (2023). How do dynamic capabilities affect performance? A systematic review of mediators. *European Management Journal*, 914-931. <https://doi.org/10.1016/j.emj.2022.12.006>

- Shiferaw, R. M. & Kero, C. A. (2024). Dynamic Capabilities view practices of business firms: a systematic literature review. *Cognet Business & Management*.
<https://doi.org/10.1080/23311975.2024.2336309>
- Sydänmaanlakka, P. (2012). *Älykäs organisaatio*. Vantaa: Talentum media Oy.
- Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350. doi:10.1002/smj.640
<https://onlinelibrary.wiley.com/doi/epdf/10.1002/smj.640>
- Teece, D. J., Pisano, G. & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
[https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z)
- Tuomi, J. & Sarajärvi, A. (2009). *Laadullinen tutkimus ja sisällönanalyysi*. Jyväskylä: Gummerrus Kirjapaino Oy.
- Uysal, G. (2019). 3rd Definition of SHRM: HR Systems Approach. *Management Studies*, 18(3), 496-501. <https://ssrn.com/abstract=3425670>
- Venkataiah, C. (2014). Impact of Strategic Human Resource Management Practices on Employee. *The International Journal Research Publications's*, 6(2), 62-68.
- Wang, C. L. & Ahmed, P. K. (2007). Dynamic Capabilities: A Review and research agenda. *International Journal of Management Reviews*, 9(1), 31-51.
<https://doi.org/10.1111/j.1468-2370.2007.00201.x>
- Wang, C. Y.-P., Jaw, B.-S. & Tsai, C. H.-C. (2012). Building dynamic strategic capabilities: a human capital perspective. *International Journal of Human Resource Management*, 23(6), 1129-1157. doi:10.1080/09585192.2011.561234
<https://doi.org.proxy.uwasa.fi/10.1080/09585192.2011.561234>
- Wright, P. M. & McMahan, G. C. (1992). Theoretical Perspectives for Strategic Human Resource Management. *Journal of management*, 18(3), 295-320.
<https://doi.org/10.1177/014920639201800205>
- YuLing, L., SuHua, L. & HuiLin, Q. L. (2023). Unlocking the potential of strategic HRM in the digital age: A conceptual framework for digital transformation. *Journal of*

Islmaic, Social, Economics and Development (JISED), 215-226.

[https://www.researchgate.net/profile/Ooi-Kok-](https://www.researchgate.net/profile/Ooi-Kok-Loang/publication/370059741_Unlocking_The_Potential_of_Strategic_HRM_In_The_Digital_Age_A_Conceptual_Framework_for_Digital_Transformation/links/643d28032eca706c8b64c22d/Unlocking-The-Potential-of-Strategic-HRM-In-The-Digital-Age-A-Conceptual-Framework-for-Digital-Transformation.pdf)

[Loang/publication/370059741_Unlocking_The_Potential_of_Strategic_HRM_In_The_Digital_Age_A_Conceptual_Framework_for_Digital_Transformation/links/643d28032eca706c8b64c22d/Unlocking-The-Potential-of-Strategic-HRM-In-The-Digital-Age-A-Conceptual-Framework-for-Digital-Transformation.pdf](https://www.researchgate.net/profile/Ooi-Kok-Loang/publication/370059741_Unlocking_The_Potential_of_Strategic_HRM_In_The_Digital_Age_A_Conceptual_Framework_for_Digital_Transformation/links/643d28032eca706c8b64c22d/Unlocking-The-Potential-of-Strategic-HRM-In-The-Digital-Age-A-Conceptual-Framework-for-Digital-Transformation.pdf)

Zahari, A. I., Abdul Manan, D. I., Mohamed, N. & Said, J. (2023). Impact of Dynamic Leadership and Marketing Planning on Organizational Resilience During Covid-19: Higher Learning Institutions. *Sage Open*, 13(4).
doi:<https://doi.org/10.1177/21582440231212042>

Appendices

Appendix 1. Interview frame A

First, a recap of the essential concepts.

Background questions

1. How long have you worked for your current employer?
2. What roles have you been into? (career path inside the house in brief)
3. Tell us more about your current role (e.g. main responsibilities, team size)
4. How long have you been in the supervisor role? (Current employer / total)
5. Have you completed any training or qualifications that will prepare you for supervisory work, if so, what kind?

The Role of supervisors

1. How would you describe your role as a supervisor?
2. What are the biggest challenges you face in your supervisory work?
3. Which key processes or activities do you think are important for successful and effective supervisory work?
4. How do you think the perception of your role differs from that of HR or upper management?

Strategic Human Resources Management

1. How do you align your team's goals with the organization's broader strategic goals?
 - a. What specific HR practices support you in this goal alignment?
 - b. How are these practices measured/monitored?
2. How do strategic HR decisions affect your supervisory work, and what is your role in these decisions?
3. How do you ensure that you and your team's expertise/capabilities meet future business needs?
4. What kind of capabilities do (strategic) HR practices need to meet future business needs and best serve supervisory work?

Dynamic Capabilities

1. What kind of capabilities and abilities do you think the supervisor needs to succeed in a changing operating environment?
2. Which HR functions/practices play the most significant role in supporting the adaptation of the supervisors to the changing environment?
3. What kind of support have you received for your own (supervisory) work in adapting to organizational changes or new market conditions from your own supervisor? What about from HR functions?
4. How will you be able to support your team in adapting to organizational changes or new market conditions?

Dynamic Capabilities at the Organizational Level

5. What skills/competences does the organization need for future organizational challenges related to the changing operating environment?
 - a. In what ways do you think an organization can develop these skills?
6. How can an organization support the performance of its supervisors in a changing environment?

Final questions

1. What do you think are the three most crucial factors that determine the success of supervisory work in your role?
2. How do you see the role of the supervisor evolving in the future?
 - a. What do you think the supervisory work of the future will require from the supervisors? What about from strategic human resource management?

Appendix 2. Interview frame B

First, a recap of the essential concepts.

Background questions

1. How long have you worked for your current employer?
2. What roles have you been into? (career path inside the house in brief)
3. Tell us more about your current role (e.g. main responsibilities, team size)
4. How long have you been in the supervisor role? (Current employer / total)
5. Have you completed any training or qualifications that will prepare you for supervisory work, if so, what kind?

The Role of supervisors

1. As a representative of HR, how would you describe the role of the supervisor in the organization?
2. What do you think are the biggest challenges that supervisors face in their work?
3. Which key processes or activities do you think are important for successful and effective supervisory work?

Strategic Human Resources Management

1. How do you see the role of strategic human resource management in an organization?
2. How has strategic human resource management been implemented in the case organization?
 - a. How are these practices measured/monitored?
 - b. What is the role of the supervisor in strategic HR decisions?
4. What are the biggest challenges you face in your work from the perspective of strategic human resource management?
5. How do you ensure that your (and your team's) expertise/capabilities meets future business needs?
6. What kind of capabilities do (strategic) HR functions need to meet future business needs and best serve supervisory work?

Dynamic Capabilities

1. What kind of capabilities and abilities do you think the supervisor needs to succeed in a changing operating environment?

2. Which HR functions/practices play the most significant role in supporting the adaptation of the supervisors to the changing operating environment?
3. How should HR functions be able to adapt when market conditions change and cause the organization to need to adapt its operations?
 - a. What does this require at the organizational level? What about at the supervisory level?

Dynamic Capabilities at the Organizational Level

7. What skills/competences does the organization need for future organizational challenges related to the changing operating environment?
 - a. In what ways do you think an organization can develop these skills?
8. How can an organization support the performance of its supervisors in a changing environment?

Final questions

1. What do you think are the three most crucial factors that determine success in supervisory work?
2. What do you think are the three most crucial factors in your HR work that you can use to ensure that supervisors succeed in their role?
3. How do you see the role of the supervisor developing in the future?
 - a. What do you think the supervisory work of the future requires from the supervisor? What about from strategic human resource management?