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HUMAN RESOURCE STRATEGY AND INNOVATION CAPABILITY OF SERVICE COMPANIES

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Abstract. It is widely acknowledged that human resource management can build a dedicated and engaged workforce, which contributes to a strong corporate performance; However, researchers are only beginning to explore the role of Human Resource (HR) strategy in fostering organisational innovation, while its impacts on service companies' effectiveness and efficiency still hold untapped potential for sustainable and socially responsible development of innovative services and call for a holistic approach to the HR strategy. The research question: how could human resource strategies orient stakeholders' performance to sustainable competitive advantages of service companies? The pursuit of new business opportunities is essential for sustainable growth: innovative HR strategies might provide the basis for an economy to reach a new level of technological excellence, productivity, and prosperity, while human resource management has a significant impact on employees' behaviour, attitudes, and the overall corporate performance. This study aims to explore and deepen the theoretical, methodological, and empirical knowledge on the interaction between organisational culture and human resource practices to foster innovation and contributes with the enhanced organisational innovation capability. The semi-structured interviews with human resource experts of service companies led to pertinent implications for human resource strategy enhancement.

Keywords: human resource strategies; innovation system; sustainability; service companies; effectiveness; efficiency

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JEL Classification: M14, M15, Q15, Q55, O32

1. Introduction

Innovation is discussed in various disciplines, such as social science, economics, management, arts, etc. For instance, Chaudhry et al. (2021) and Inegbedion et al. (2020) scrutinise aspects such as engaging employees and other stakeholders in decision-making, innovation, and resource-sharing initiatives. Over the last two decades, many scientists have provided elaborate definitions of innovation. For instance, Kochetkov (2023) described innovation as a trigger and driver for change in the context of social actions, along with economic, business, entrepreneurship, behavioural, and institutional dimensions, where diverse types of innovation (such as product, process, service; radical vs. incremental, social and shared-value, technological, managerial, etc.) are combined within diverse business models. Thus, innovation is about new products and new ways of solving challenges, coexisting in open innovation and entrepreneurship ecosystems via cutting-edge technologies, strategic collaborations, and unique forms of working, servicing and managing human resources. Given that many companies are driven by the business model, focused on the value generated per employee, the human resource department (HRD) emerges as a key catalyst within innovation processes (Saini, 2022). The human resource strategy refers to the policies, practices, and systems that influence employees' behaviour, attitudes, and

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contributions (such as work autonomy, job demand and security, training and talent development, job and task rotation, and the liaisons with the overall business strategy) that provide a competitive advantage in the industry in the long run (Tran et al., 2020). Effective human resource practices can create a working environment which encourages the development of an effective organisational culture as well as influences innovative capabilities (Botelho, 2020; Lauzikas et al., 2023); thus, an organisation should focus on employees' and other stakeholders' ability to innovate and contribute to the overall organisational performance via creativity and learning. According to Mujtaba et al. (2020), Human resource management supports the company's operations by fostering employees' innovative behaviour, contributing to employee and customer satisfaction. Human resource policies and strategies are a significant booster for innovation, including knowledge management, talent development, creativity enhancement, learning, modern technologies, key strategic partnerships, and communication (Toke, 2024).

The recent papers are covering the phenomenon of digitalisation (Kim, 2021; Deloitte, 2024; Arefief et al., 2023), collaboration (Vuong & Nguyen, 2022; Sewpersadh, 2023), cutting-edge technologies (Tohidi et al., 2020), social value-added (Agudelo et al., 2019), diversity and inclusivity leadership (Noor et al., 2024; Bersin, 2024), data management (Caloisi et al., 2023), micro-cultures, etc. Such evolution elucidates the necessity, scope, and scale of innovation in the context of the combination of economic and social value-added, talent development (Agustian et al., 2023), as well as the dynamics and flexibility-driven approach towards more sustainable and unique business models (Gilsing et al., 2022). Moreover, scholars and business intelligence experts introduce more sophisticated metrics for measuring the innovation strategy effectiveness (Yeboah et al., 2023), while drawing attention to learning, cross-departmental synergy, open and shared-value economy-based innovation systems, and new forms of collaboration with universities, R&D transfer institutions, diverse types business entities, public organisations, investors, and social agents.

Diverse uncertainty periods, such as the pandemic or geopolitical vulnerabilities, dramatically impacted all types of businesses worldwide (Holman & See, 2020). While underscoring the firms' need to develop and offer a continuous stream of innovation (Qun & Sousa, 2019), companies must implement successful innovation processes, integrate knowledge from various sources, implement innovation, and raise stakeholder confidence. Furthermore, according to Malec and Stanczak (2020), to forecast the efficiency of innovation processes, it is necessary to take the following actions: to conduct the risk analysis before and during its implementation period to determine all the tasks of the project management process, defining the scope of duties and responsibilities; to assess the feasibility of a project. The need for creativity and innovation is essential for a company's successful development to maintain a clear and critical understanding of the social and economic value creation paradigm (Ingram & Fenton, 2020), companies need to develop a sustainable and effective innovation commercialisation model to meet the customer needs and mitigate the potential uncertainties. Within the recent studies, the scholars also add inclusive employee performance in the process of product development, market expansion, and innovation commercialisation (Toke, 2024), while Rodríguez-Vilá et al. (2024) introduce a three-dimensional model of defining, serving, and operating in the market (Komm et al., 2021). They rely on the HR strategy and new preconditions, liaising with new work forms (Wong, 2024), well-being, and learning (Kelly et al., 2021), which might lead to more organic and sustainable financial results. The service industry occupies a dominant position in advanced economies regarding value-added and employment: companies require service innovation to strengthen competitive advantages (Raeisi et al., 2020). No single 'best way' describes how service innovation is created (Raeisi et al., 2020). However, all these viewpoints contribute to the development of a broad field of service innovation research.

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2. Innovative Human Resource Strategies

Although the scientific literature on the role of human resources in business is well established, it is crucial to analyse the human resource strategy impacts on the overall organisational performance while the human resource department is an intermediary between management, workforce, and other stakeholders (Maurer-Klein, 2019; Rodjam, et al., 2020). Employee engagement in the context of a business strategy and managers' proactive participation could encourage innovation while reducing bias perception across organisational departments and making employees feel satisfied, valued and safe (Delapenha et al., 2020). The strategic approach to human resource management (HRM) should combine several practices within more complex systems. At the same time, competitive and sustainable HR strategies should incorporate global business and entrepreneurship trends, such as flexibility, accountability, use of modern technologies, business intelligence, data management, inclusive leadership, and strategic collaborations (Barcan, 2020). The leadership challenges and risks might be mitigated by applying cutting-edge technologies (for instance, data-driven analytics and AI; Bérubé et al., 2024).

It is crucial to notice the role of talented employees who use their skills and knowledge in practice, which calls for efficient talent recruitment, development, and retention tactics (Maurer-Klein, 2019). Many factors must be considered, such as the target group's expectations, a differentiated employer's value proposition (EVP), brand consistency and communication, and assessing/monitoring the employer's branding efforts (Eger et al., 2019). Moreover, businesses must be ready for the change management (Jones, 2020). Stahl et al. (2020) recommend focusing on sustainability practices in HRM while increasing engagement and commitment. Employees should play a critical role in strategy planning, depending on the management style. Furthermore, a transdisciplinary approach to combining tactical and strategic objectives, implementation plans, and monitoring models is necessary (Kaaria, 2024).

Given that innovation can help a company unleash and achieve its competitive advantage via human capital (Pahuja et al., 2024), human resource management and talent management have a strong influence on workforce competencies, knowledge, and results (Stachová et al., 2019; Guo & Lu, 2023). Sewpersadh (2023) scrutinises the interdependencies between networks and cutting-edge technologies while liaising the HR strategies with a company's digital business models and potential outcomes. Thus, innovative solutions within the field of HR Management should be supported by 'top management' and maintained by line managers (Hamilton & Sodeman, 2020). Dyson (2024) adds that applying cutting-edge technologies is critical for inclusive leadership (covering aspects such as creativity, learning, talent development, collaboration, and communication).

The technological function provides the opportunity to save time and cost. From the organisational perspective, HR big data analytics should focus on employees' development to drive a company's profitability. Such an implication was also supported by Columbus (2020): many HR information systems (HRISs) are usually used for administrative tasks, and therefore, they do not fully serve their potential to collect more data regarding workforce productivity. The analysis of HR's big data could help identify what training or motivational benefits programs are the most beneficial in terms of innovativeness, quality improvement, management efficiency, and talent pool advancement: the more efficient the usage of IT tools in the HR department is, the higher contribution this department could generate to the business strategy, while the innovation department could provide solutions to other departments and, in this way, help a company build stronger image, reputation, and trust (Meister, 2020).

Organisational innovation can be in the form of implementing new methods in the organisational process, such as methods to work in groups, workplaces, or operations. Sheeba & Christopher (2020) add the role of training and development that enhance innovative work behaviour, affective commitment, work proficiency, and managing conflicts, which ultimately leads to improved employee performance and productivity. HR practices can create a working environment (context) that encourages an effective organisational culture and influences innovative capabilities (Botelho, 2020).

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3. Research on the Role of Human Resource Strategies in Service Companies: Methodology

The analysis of studies on service innovation shows the diversity in terms of HR strategies, along with the strategic context of various sub-industries and cultures. Thus, to gain an in-depth understanding of innovative HR strategies, semi-structured expert interviews were conducted, focused on the performance of the HR department in service companies. This research aims to assess the role of the HR department and its strategies in the context of efficiency, innovativeness, and alignment with the business strategy. The key objectives are oriented to skills needed for HR leaders, innovative HR practices, the collaboration between the HR and other managerial departments, the role of the HR function within the innovation process, and experts' perception regarding the HR strategies in light of technological changes and innovation.

Many scientific studies have emphasised the importance of the human resource strategy in creating a sustainable environment for innovation. The methodological pillar of this study is anchored on the theoretical approaches proposed by other researchers. The list of the studies used as the theoretical background of this research is presented in Table 1.

Table 1. The theoretical foundations of the research

No	Author	Year	Research method	Aim of the research	Value added of the research
1.	Arefief et al.	2023	A systematic approach (quantitative data analysis)	To highlight the principles of managing companies' global competitiveness in the e-commerce field in the context of digitalisation.	The effects of networks on performance efficiency and competitiveness are presented.
3.	Aldieri et al.	2019	Quantitative research	To examine the potential effects of the workforce quality, observed as intangible assets, on the firms' efforts to generate product and process innovation.	To measure what role HRM plays in innovation processes.
4.	Kohnová & Papula	2019	Quantitative research	To analyse the characteristics of employees from the point of view of employers' assessment in the context of an innovation activity.	To examine the most valuable competencies of HR specialists and key elements of effective leadership. Moreover, to analyse the role of Employee Branding strategy.
5.	Pillai & Sivathanu	2020	Quantitative research	To investigate the adoption of AI technology for talent acquisition.	To assess the implementation of IT tools for HR effectiveness enhancement.
8.	Botelho	2020	Quantitative research	To analyse mechanisms via which the methods of personnel management have an additional impact on an organisation's organisational culture and innovative potential.	To examine the Talent Management strategy implementation as a methodically organised strategic process.
9.	Waheed et al.	2019	Quantitative research	To analyse the impact of HRM practices on innovation efficiency, the role of organisational innovation and the constraining role of the innovation climate.	To explore the HR strategies, unleashing people's creativity throughout an organisation.
12.	Guo & Lu	2023	A case study of Chinese international construction companies (CICCs)	To measure the firm competitiveness via data-driven principal component analysis (PCA), A "3Ps" (performance, potential, and process).	Other scholars could use the applied methodology to examine competitiveness across different industries.

Source: prepared by the paper authors, based on Aldieri et al., 2019; Kohnová & Papula, 2019; Pillai & Sivathanu, 2020; Botelho, 2020; Waheed et al., 2019; Guo & Lu, 2023; Arefief et al., 2023.

Nearly all the compared research methodologies incorporated quantitative research methods while diminishing the potential of an in-depth, perception-based insights analysis, not ingeniously presenting the experience and

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strategic information held among HR experts. The semi-structured interviews with the experienced HR managers of service firms are more in line with the research question of the present study (addressing many perception and experience-based aspects). Moreover, the selected type of research method gives more flexibility and depth, and it is more appropriate for a small sample size, seeking a deeper insight into the subject, along with the possibilities for examining the research problem more contextually and strategically.

The purposive research sampling method was chosen: the interviewees needed to meet specific criteria: an interviewee must be a graduate from university (preferably in HRM, international business, or psychology fields); they must be working in a managerial position (to be either eligible to make decisions regarding business and corporate strategies or influence HR management). Relying on the knowledge-based approach in the thematic category of HR strategies (since managers are often involved in strategy development processes), some interviewees were department managers within a service-based company. In contrast, the others had a strong educational knowledge of HR or were able to consult a firm regarding its HR strategy. The sample size reads 10 interviewees.

The qualitative data analysis process within the present study involves coding and categorising, which helps understand a vast amount of data by reducing the amount of non-relevant information, identifying significant patterns, and finally, building a logical chain of evidence. Moreover, a step-by-step process was introduced for data analysis and interpretation: transcribing the collected data, coding the answers, identifying the liaisons between the different perspectives of respondents, and revealing the main theoretical assumptions to draw broader conclusions and recommendations (see Table 2).

Table 2. Assumptions of the research

Knowledge Block	Experts with more transdisciplinary experience (working in diverse fields, particularly with a degree in business-related studies) consider the HR department strategic, cross-departmental, and horizontal. The experts with more transdisciplinary experience might have better knowledge of talent management.
Sustainability programs	To improve competitive advantage, it is crucial to run sustainability campaigns, which should be executed by leaders with extensive experience in HR strategy development and implementation.
Management and leadership models	The HR department's high autonomy might influence innovation and culture enhancement. However, technological evolution calls for incremental and radical process improvement and innovation that leaders influence. Therefore, it is vital to propagate transformational leadership that fosters creativity, diversity, and inclusivity.
Employer branding	Employer branding should be a key success factor in HR strategies: it will contribute to a social image via motivated employees and attract more talented candidates.
Business intelligence	HR strategies should be tightly aligned with the innovation culture, where HRD plays a crucial role in fostering innovation by empowering and motivating employees.
Management of change	The HR department was a front-line communicator and a leader in crisis management. In the best-case scenario, the HR department could implement both innovative and crisis management strategies during the time of change and, in this way, strengthen its role by collaborating with other departments.
Data management	To enhance the innovation culture in a company, HRM should apply innovative strategies (For instance, GenAI). Data management can be a helpful tool in talent and performance management.
Finance	Expenditures/ inputs in innovative HR functions are critical to achieving the competitive advantage; However, the investments might generate the desired return/ value-added in the long-term only if creative leadership, technology-based communication, and employee empowerment are well-implemented. Continuous monitoring (with priority weights, outputs, and feasibility scores should be tracked in diverse time frameworks compared to peers).

Source: Prepared by the paper authors, based on the literature review

Linking the responses of various categories of experts with the theoretical research pillars helped create and test the conceptual assumptions (that could be further used in the research of the same series). It contributed with pertinent recommendations for service companies.

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4. Research Results: Preconditions for Effective HR Strategies in Service Companies

The results, related to the first assumption (Knowledge block), revealed that only a few experts (2 out of 10) had sufficient knowledge of HR. However, nearly all the experts emphasised the role of the HR Department as an essential strategic organisational construct or an epicentre of knowledge sharing. The educational background in business or economics does not fully ensure the proper knowledge for the SHRM approach --- a more holistic and transdisciplinary approach is necessary to unlock the potential contributions of this department to the overall company's performance. It was accentuated that the HR department is responsible for providing an essential labour supply, talent development, and productivity. However, various motivation programs should be implemented (covering well-being, creativity, learning, and innovation). This is the main contribution towards business strategy since happy employees stimulate business growth. Five experts (four of them represented the generation 'Y') have not yet implemented a talent management strategy in their organisations. One of the experts, belonging to the association of HRM professionals, explained that only 15% of Lithuanian companies had an effective talent management program, according to their study. The talent management function to attract high-qualification level employees was not supported, although all the interviewees indicated talent management as a key strategic driver for high-performing employees. Moreover, talent management, as well as the motivational role of HRM, was evaluated by a relatively high 3.9/5 score. Despite a positive perception of talent management, most of the HR experts were failing to perform successfully, which might be related to the lack of involvement of the HR department in business strategy development.

While examining the role of sustainability programs, it is essential to point out that they are perceived as the least effective and relevant compared to other strategies. Notwithstanding the lack of attention to sustainability program implementation, some companies have transferred all paper documents to the digital form. This practice was accelerated due to the Covid-19 restrictions. Moreover, one of the respondents underlined the inclusivity strategy, centred on 'elderly adults' employment' as the most successful HR strategy, diminishing the social gap between different generations and reaching synergy effects via shared value economy principles. Sustainability is the weakest area of the examined companies, and it is crucial to excel in the engagement and commitment of employees (and other stakeholders) at the strategy development and implementation stage.

While tackling the role of management and leadership models, 5 out of 10 experts revealed that responsibility in terms of innovation is usually disseminated throughout an organisation. This role is generally performed by the R&D, Marketing, or other departments, leading to the validated "Management and leadership models" assumption. Most experts agree that the HR department is not directly related to implementing innovation. Nevertheless, they confirm that the HR department is partly facilitating or fostering this process by creating an appropriate environment and organisational culture, which might motivate employees to innovate. Moreover, three interviewees alluded to implementing and maintaining innovation as an organisational value: this produces a long-lasting competitive advantage and creates dramatic shifts towards the competitive attitude.

Many interviewees acknowledge the importance of creativity enhancement in promoting innovative culture inside the organisation. One interviewee specified the significant role of HRM in the innovation commercialisation process's effectiveness/efficiency. 6 of 10 respondents admit that knowledge sharing is essential for a company to create an innovative culture and motivate employees to generate new ideas. At the same time, 6 of the interviewed experts define creative leadership as the most valuable HR competence. Creative leadership helps develop and implement innovative ideas by gaining a shared sense of empowerment, development, and entrepreneurship. Moreover, three key dimensions for effective leadership are identified: empathy, ownership mindset, and transparent communication.

The experts interpreted the employer's branding (EB) strategy as an area where at least two departments must collaborate and seek the same goal: the EB strategy is where marketing, communication, and human resource

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departments are united to market activities, create a social image of a company, as well as reach potential employees and customers. The successful EB strategy relies on each employee, while the HR role in this strategy is to draw a "perfect candidate profile'. According to the experts, the Marketing and Communication departments are to set the rules of EB and select the most suitable channels for advertisement. One of the interviewees, who works in a highly secure and confidential company, defined the EB as an opportunity and responsibility of a recruitment team. Even though the interviewees emphasised the importance of EB, this is one of the areas for improvement since the perception of efficiency is not positive. All the interviewees accentuated the EB as part of the recruitment process and, contrary to the literature analysis, affirmed that this strategy should concern other departments. It proves the necessity to establish a horizontal HR department, which should work hand in hand with different departments while reaching cross-departmental synergies and higher value-added to the overall company's performance. HRM covers a vast spectrum of functions, while successful implementation of HR strategies is impossible without open and smooth technology-based communication, efficient resource management and value sharing.

While emphasising the role of business intelligence, only 2 of 10 respondents indicated that HR department does not contribute to innovation-fostering processes via BI techniques. In contrast, other respondents see HR professionals as specialists who should strive to create an innovation climate of thinking outside the box, along with creativity enhancement and motivation programs: all these prerogatives should be implemented via business intelligence technologies. According to the experts, innovation-fostering processes include hiring talents and actively motivating employees to engage in a company while promoting an innovative and relaxed work environment (giving time, space, and power to speak freely). Moreover, one interviewee specifies the importance of work-life balance in promoting innovation because it affects the company's bottom line, making it more innovative and productive. Half of the interviewees see teamwork as essential in building a creative environment based on innovation and Business Intelligence techniques. Teamwork combines diverse knowledge, personalities, generations, and cultures that bring different thoughts and ideas together. Two respondents acknowledge the benefit of gamification, as it can create value for leaders, teams, and employees. As a result, the appropriate introduction of gamification to the workplace motivates and inspires employees, which is a key factor for a company's ability to innovate. Thus, innovation drives growth, but to remain competitive, creativity should be enhanced by effective and innovative HR practices aligned with modern technology and new creative approaches.

Managing change is another critical dimension of the effective HR strategy: nine out of ten interviewees stated that unexpected changes affect almost all aspects of the organisational development, including the HR department. The role of the HR department becomes more critical since 'care must be taken to ensure the safety of employees, while organising work remotely, without diminishing other important HR functions' (stated one interviewee). It has become essential to monitor stress levels to enable employees to perform their activities in a comfortable atmosphere. It is also crucial for the HR Department to track the employees' engagement and motivation. As was found in the literature review, HRM has become a front-line communicator responsible for safety and remote work policy. In parallel, innovation can be seen as a tactic for recruitment, while new IT tools should accelerate this process.

Given the growing role of data management in modern organisations, most of the HR department's IT tools are oriented to the recruitment process (candidates' pipeline systems, talent pools, standardised tests, etc.). At the same time, some of the techniques help measure performance and improve skills. Therefore, since the recruitment might be fulfilled remotely, one of the experts indicated a newly acquired video platform used for interviews. This investment can be considered an innovative solution; However, it does not impact the already-hired employees. New technological tools are applied to enhance efficiency and foster innovation: the innovation culture requires additional efforts and initiatives. The interviewees noted creative leadership and analytical and communication skills as the most valuable factors for HR specialists. Nevertheless, to unlock data potential, it is necessary to have

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a technological and scientific educational background. None of the respondents had experience in the technology or science fields, leading to a lack of knowledge of data management and an inability to use advanced IT tools.

The HR experts also emphasised the financial dimension: implementing new HR tools leads to larger expenditures. 6 out of 10 respondents confirm the rise in HR costs. At the same time, one expert gives a precise example (the video platform for performing the remote interviews is marked by a significant OPEX expenditure and might diminish the bottom line). The substantial increase in HR costs and implementation of new IT tools in the HR department show that companies struggle to raise funds to recruit, retain, engage, and develop their talents. Given the complexity of HR technology implementation, organisations need to respond to market pressures in the short term and prepare their employees for new work realities in the long term. Thus, technology implementation can help HRM underline key work metrics and help maximise efficiency by enabling a company to achieve its goals. The theoretical pillars, deriving from the literature review, were tested, and the conceptual model summarising the research results was developed (see Figure 1).

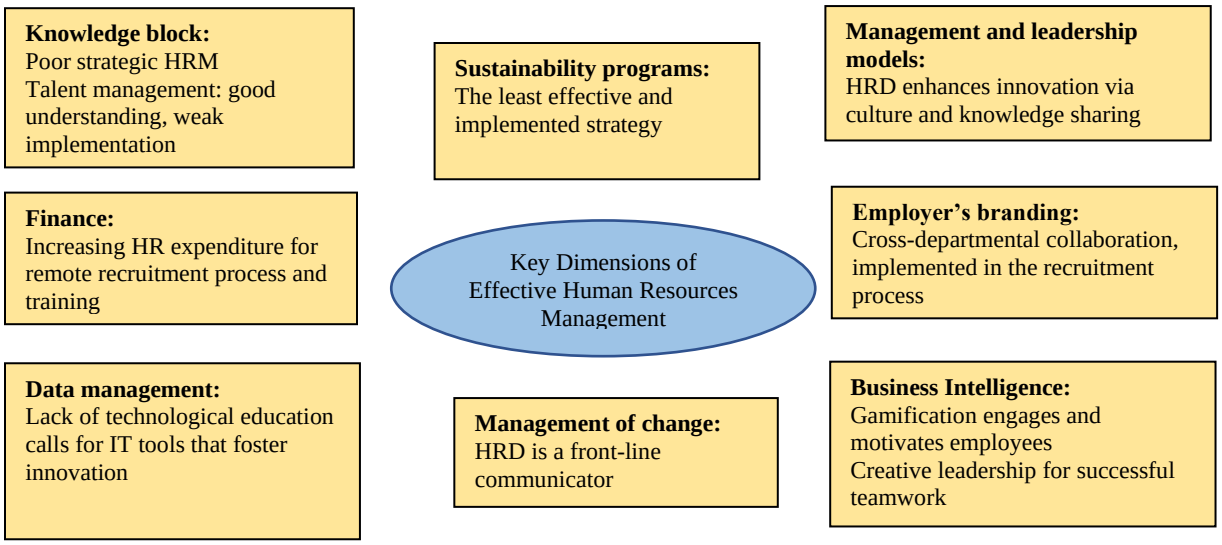


Figure 1. The key dimensions of effective Human Resource Management
Source: prepared by the authors, based on the literature review and the Experts' Responses

The conceptual model reveals the lack of technological and business intelligence knowledge to implement various innovative HR solutions jeopardises the whole HR strategy. At the same time, orientation to short-term objectives (versus long-term sustainability programs) calls for more knowledgeable, inclusive, intelligent leadership, effective risk management, and stronger financial analysis. The analysis implied that the cross-departmental synergy might be diminished if effective knowledge-sharing and talent development (including learning programs) are missing. The limited organisational openness towards stakeholders could also explain the insufficient use of modern technology within the HR department via the shared value economy.

Given that the qualitative research method is based more on perception and experience rather than on statistical or mathematical interpretation, the implications of the present study might serve as fundamentals for quantitative research to find patterns and means, test causal relationships, and summarise results for a wider population. This study mainly focused on certain HRM practices and strategies that influence employee behaviour and attitudes while improving corporate performance. Thus, the researchers may further explore some additional HR functions and practices (such as empowerment, job design, participation in the decision-making process, etc.).

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Conclusions

The HR department can foster innovation through knowledge management, employee development, and collaboration. In contrast, organisational innovation could be encouraged via motivational and talent development functions, creativity systems, modern technologies, and an adequate environment. Based on the research results, innovative solutions are mainly executed in the recruitment process by standardised tests for screening candidates, using talent pool and candidate pipeline software, chatbots in social media profiles, etc. Apart from that, the HR department is responsible for practices that aim to identify the strengths of least-performing employees, motivate high-performing individuals, cut gaps in terms of their performance, and recognise hidden talents. Most interviewees do not have a fully implemented talent development and management strategy. In addition, any talent management platform which could be powered by AI or big-data analysis is not identified as an IT tool within HRM. Poor understanding of IT tools' potential is related to the lack of technological/scientific education that could help unleash the opportunities deriving from big data management.

Some creativity-boosting initiatives and employee empowerment techniques should impact reshaping employees' innovative behaviour. Workshops with managers and leaders, knowledge-sharing sessions, "ideas pitch", and reward programs might be the right choice. However, these initiatives should result from collaboration among several managerial departments. Although some companies have a separate department responsible for innovation commercialisation, the HR department is crucial to promoting an organisational culture where people feel empowered and engaged. Employee engagement is a key component of workforce efficiency and productivity, key strategic relationships, health, and safety. New forms of work-life balance should emerge as a core axis of efficiency, creativity, and innovation. Managing change and crisis management might be a weakness of the HR department, calling for more attention to long-term targets and sustainability programs.

Employers' branding and sustainability initiatives should be correlated to attract talent and engage employees. However, both strategies require marketing, communication, and HR departments' involvement: it would be challenging to reach strategic goals without a cross-departmental synergy and efficient communication; the HR department should be a horizontal managerial unit, while performance improvement of each involved factor should be continuously monitored at different time perspectives (short-, medium-, long-).

Companies have continuously invested more in modern technology while orienting the HR function towards engaging employees virtually: HR leaders become data scientists or IT experts. Using AI for talent management and recruitment is a compelling long-term strategy. It is crucial to start paying attention to training HR leaders to enhance their technological knowledge and skills.

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