RESPONDING TO CHALLENGES IN HRM ENVIRONMENT: THE CASE OF LITHUANIAN ORGANISATIONS

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Abstract
The article deals with the topic of human resource management from the viewpoint of response to challenges posed by environmental changes. It presents the results of empirical research as well as theoretical and methodological backgrounds for its accomplishment. The goal of the research presented in this article is to determine what challenges arising in organisations' environment, including internal, micro-, and macro-environment are significant for human resource management in organisations in Lithuania. This goal has been reached by the set of objectives, which allow firstly, to determine main changes occurring in human resource management environment, then to define current and recurrent challenges to human resource management. Finally, to examine which of these challenges are significant and which are irrelevant to human resource management in organisations in Lithuania and to discuss the reasons behind. The results of empirical research disclose that the most significant challenges for human resource management in Lithuania are corporate social responsibility, and performance/results-oriented organizational culture. The analysis also revealed a number of challenges which appear to be not relevant to organisations in Lithuania. Absence of interest in differences in business environments and in managing geographically dispersed team, and low score on diversity management show that despite scientific and professional human resource management literature arguing globalisation to be highly important, it does not play such important role for human resource management in Lithuania.

Key words: human resource management, HRM challenges.

Classification JEL: M12 – Personnel Management.

1. Introduction

In order to succeed in changing business environment organizations are forced to continual changes, a few organizations can compete effectively using the tried-and-true approach or copying others *(Jackson et al., 2011)* even more, organization no longer can afford being passive and any decision made might be fatal *(Gražulis & Jagminas, 2008).* Thus ability to respond to changes and challenges become vital for them. Human resource management (HRM) in organizations also faces various challenges responding to its environment. Increasing global competition and technology advances encourages organizations to use outsourcing to gain a competitive advantage. Changes in organisations' environment, including internal, micro-, and macro-environment, sometimes might result in redundancy; on the contrary organizations have to fight for employees with exceptional skills and abilities. Human resources have become organizations' driving force. Therefore organisations have to ensure that HRM as a function evolves and, if needed, transforms reflecting changes in organization's environment (*Gražulis & Jagminas, 2008).* That's why the issues of this topic has been highly discussed for the past decades in scientific and professional literature *(e.g. Noe et al., 2013; Snell & Bohlander, 2012; Cawsey et al, 2012; Kumar, 2011; Jackson et al., 2011; Kazi, 2011; Meux, 2010; Storey, 2009; Banfield & Kay, 2008).* Countless challenges have been named and instruments to respond to them have been suggested, and yet it is important to ascertain which of them are significant for organisations in the context of a particular country.

Lithuania being a country which is poor in natural resources highly depends on human resources. Moreover, due to shift from manufacturing to service economy, from goods production to production of ideas, and age of technology transformation into age of information and knowledge, previously crucial technologies and capital lost its position to

human capital. Thus, human resource management in organisation is forced to change to reflect such shift.

Therefore, *the goal of the research* presented in this article is to determine what human resource management challenges and instruments to respond to them are significant for Lithuanian organizations. The following *objectives* have been set to reach this goal:

- To define the theoretical and methodological framework for identification of human resource management challenges and instruments used to respond to them;
- To identify what challenges of human resource management are significant to Lithuanian organizations and what instruments, are being used for responding.

The *research methods* applied: literature review, content analysis of the Lithuanian organisations' web pages.

2. Theoretical background for exploring HRM challenges

In order to have effective HRM organisations have to be conscious of changes in their internal and external environment and to be able to identify challenges they are facing. For the past decades in scientific and professional literature there have been a significant number of discussions around the challenges for HRM. According them these currently existing main changes occurring in HRM internal and external environment are summarised in Figure 1.
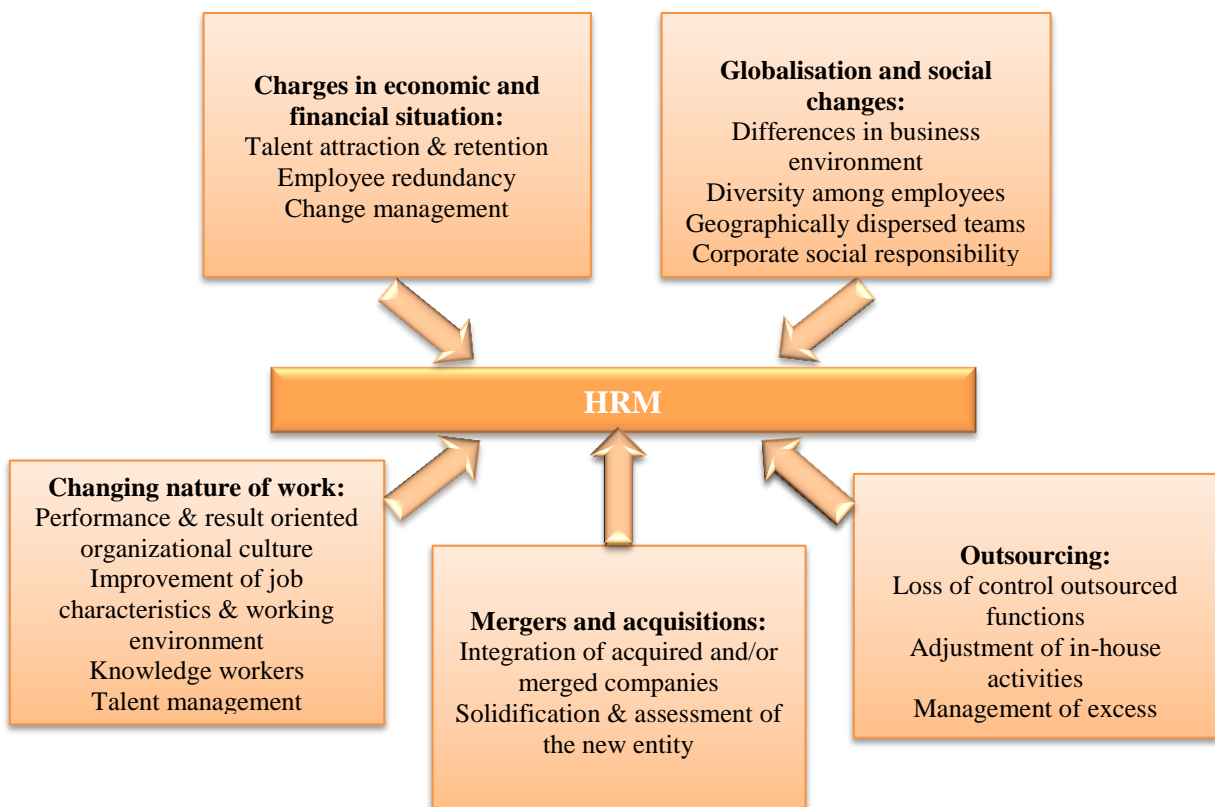

Charges in economic and financial situation:
Talent attraction & retention
Employee redundancy
Change management

Globalisation and social changes:
Differences in business environment
Diversity among employees
Geographically dispersed teams
Corporate social responsibility

HRM

Changing nature of work:
Performance & result oriented organizational culture
Improvement of job characteristics & working environment
Knowledge workers
Talent management

Mergers and acquisitions:
Integration of acquired and/or merged companies
Solidification & assessment of the new entity

Outsourcing:
Loss of control outsourced functions
Adjustment of in-house activities
Management of excess

Figure 1. The main changes and challenges shaping HRM (own study)

Globalisation and social changes

Globalization quite often is considered as one of the major factors forcing organizations to change *(Snell & Bohlander, 2012; Storey, 2009; Gražulis & Jagminas, 2008).* Changes in the social environment are strongly associated with the globalization phenomenon and includes demographic and lifestyle trends, also drifts in social values *(Carroll & Buchholtz,*

2011). Thus physical distance, language, economic, regulatory, educational, technological and cultural differences across countries increase the complexity of HRM *(Perera, 2011)* and create HRM challenges in the following areas:

- *Differences in business environment* – nowadays HRM should take into account differences in national markets, organizations, legal regulations, and characteristics of human capital *(Armstrong, 2012; Nayab, 2013; Jackson et al, 2011; Storey, 2009);* and decide the extent of use of similar instruments worldwide (convergence) or adapt them to the local conditions (divergence), *(Perera, 2011; Armstrong, 2012).*

- *Diversity among employees* as any characteristic making them different (e.g., race, gender, age, values, cultural norms), *(Kumar, 2011)* is very important for HRM and should be taken into account when developing organizational culture (*Coombes, 2014; Cawsey et al., 2012; Snell & Bohlander, 2012; Meux; 2010; Storey, 2009; Banfield & Kay, 2008; Gražulis & Jagminas, 2008),* managing employees' adaptation and training in a multicultural environment (creating organisational values and culture); building a harmonious team of a significantly different personalities; benefiting from advantages provided by diversity of employees; and taking into account different needs of employees and guaranteeing equal opportunities *(Jackson et al., 2011).*

- HRM has also to ensure successful work of *geographically dispersed team* (Jackson et al., 2011) making sure that all members understand the goal of the team and their role; promoting sharing of information and knowledge, and ensuring that necessary skills are available when needed, regardless of the physical location *(Perera, 2011).*

- *Corporate social responsibility (CSR)* is usually associated with activities exceeding legal requirements *(Armstrong, 2012; Pučėtaitė, 2009).* Increased concerns about ethical and socially responsible behaviour lead to increased HRM involvement into CSR *(Jackson et al., 2011).* Organization's attitude to social responsibility affects its attractiveness among existing and potential employees *(Sharma et al., 2009).* Consequently HRM professionals more and more become responsible in developing HRM activities in a way that informs current and potential employees about expected (e.g., ethical and socially responsible) behaviour providing benefit for both the organization and society *(Jackson et al., 2011).*

Changes of economic and financial situation

Changes of economic and financial situation depend on trends and drifts in the nature of the economy in which organization operates *(Carroll & Buchholtz, 2011).* Unemployment rate, wage tendencies, financial changes within organisations such as cost reduction and etc. have a direct impact on HRM: increased employee concerns about the future of the organization, possible reductions in employment, reduced personnel expenditure, etc.), *(Roche et al., 2013).* Changes of economic and financial situation typically are associated with downturn, recession and economic crisis *(Roche et al., 2013; Cawsey et al., 2012; Barauskas, 2009).* Despite the huge negative impact economic difficulties also assist distinguishing what is the most important for the organization. Organizations seek to survive *(Barauskas, 2009)* and their efforts are focused on capacity building and usage of the potential of employees. Organizations are forced to reduce costs including remuneration costs, but it has to be a coherent decision as complex economic conditions require difficult decisions that can be provided only by highly qualified and skilled employees. Therefore changes in economic and financial situation shape such challenges for HRM as following:

- *Talent attraction and retention* mostly is vital for organizations' in long-term perspective when experiencing economic difficulties: prepare for the economic take-off in order to avoid problems such as loss of market share, absence of new products and ideas, and the lack of talents *(Kuodienė, 2009).* And HRM faces a challenge to

create procedures to attract, select, and retain employees with the highest potential *(Roche et al., 2013)*.

- *Redundancy management* is increasingly important in case of severe impact of economic difficulties when organisations survival becomes the main goal *(Roche et al., 2013)* and compels organisation to employee reduction. HRM faces a challenge to select candidates for redundancies and manage negative impact on organizational performance, its reputation, and employees' emotional safety *(Roche et al., 2013)*, while following legal requirements.
- Changes of Economic and Financial Situation are a strong force leading to changes in organisations and HRM efforts in *change management*. These have to warrant successful employees' transition when implementing changes, while uncertainty is a strong negative aspect impacting employees' motivation and ability to concentrate. One of the key factors leading either to success or failure of the change is employees' confidence in senior management, which does not happen suddenly, but must be developed over the years *(Jankunaite, 2009)*. In such circumstances HRM faces a challenge to develop trust between employees and managers constantly communicating, involving employees into decision-making process, explaining decisions taken and how these affect the organization and employees Thus HRM should create the image of 'we are all together in this situation', which helps to maintain an emotionally safe working environment *(Banfield & Kay, 2008)*.

Changing nature of work

Today's work structure and the content of work have changed significantly from what it was like decades ago *(Austin, 2012; Hodson & Sullivan, 2012; Heerwagen et al., 2010)*. Work today is cognitively more complex and less routine, more based on teamwork and cooperation, and more dependent on communication and technology skills, more time pressured, more mobile and less dependent on the physical location *(Heerwagen et al., 2010)*. Business day no longer comprises of eight, but twenty-four hours, as decisions and actions are required now and not the following morning *(Howlett, 2011)*. Organizations today have become flatter and more flexible; previously important job security and career opportunities are being replaced by focus on skills development, continuous learning, and work-life balance *(Heerwagen et al., 2010)*. And hereby changing nature of work produced challenges changing the following HRM activities:

- HRM has to develop *performance and results-oriented organizational culture*. Today's organizations need skilled employees, therefore great focus lies on HR training *(Heerwagen et al, 2010; Banfield & Kay, 2008)*. Employees' skills and qualifications should be developed in contribution to the organization's success. However, it is not enough to enable employees to improve their skills; HRM has to shift these developed and extended skills to achieve organization's goals *(Banfield & Kay, 2008)* through developing a pay-for-performance or result-pay system.
- Changing nature of work changes employer-employee relations and requires *improvement of job characteristics and working environment*. Formerly highly important job security is giving a way for interesting and challenging work, and self-realization. Thus, HRM is facing a challenge to offer a challenging work in a comfortable and safe working environment; take care of the physical and psychological health, as sick and anxious employees are unlikely to be productive; and offer flexible working patterns, work-life balance *(Werner et al., 2012; Banfield & Kay, 2008)*. It becomes very important to find out the expectations of employees. This does not mean to find out and give employees what they want, but rather understand their motivations, interests, and concerns and take all this in consideration when

making decisions *(Banfield & Kay, 2008)*. Employees join organisation seeking to be noticed, to be a part of something. Understanding this fundamental human need is the first step in creating a working environment that links a person to his work and other employees, and helps to avoid the feeling of isolation. People are working for different reasons, which are not limited to financial benefits; and fair reward is perceived differently by each individual. They also want to work in a safe environment: due to the high workplace physical safety regulations psychological aspect of a safe working environment become more important. Employees want to have an opportunity for personal and professional development and growth which if managed benefits both the employees and the organisation *(Banfield & Kay, 2008)*.

- *Knowledge workers* are consequence of technological advances changing the nature of work. Scope of work done by computers and robots reduces the demand for low-skilled work force and increases importance of high-skilled knowledge workers; physical/manual work skills are being replaced by knowledge and creativity. *Knowledge workers* need to be managed in a different way – their need for self-realization, decision-making power, and new methods of training, motivation, and etc. need to be taken into account. So HRM faces a challenge to create and manage organization's culture which endorses use of human capital potentiality, knowledge sharing and effective flow of communication and information *(Kumar, 2011; Banfield & Kay, 2008)*.

- *Talent management* mostly is a result of competition among organizations to look for and invest into employees with the outstanding knowledge, skills and ideas, who are able to adapt to changes *(Mathis & Jackson, 2012)*. This leads to the creating of a new group of employees – talents – who consistently demonstrate exceptional skills and accomplishments *(Williams, 2000)*. Talents have to be managed keeping in mind that win organisations which retaining the best employees *(Armstrong, 2012)*. Although talent management includes similar HRM activities as traditional HRM, additionally, in order to ensure a well-balanced HRM and talent management, HRM has to transform from a clearly defined individual function into a function which works closely with other functions within the organization (e.g., IT, organizations strategy and marketing) *(Coombes, 2014; Armstrong, 2012)*. Talent management is a certain set of interconnected activities to create a stimulating and supportive environment for talents.

- *Non-traditional employee management* is becoming necessary while organisations increasingly consist of remote, virtual, temporary, and etc. employees. HRM faces a challenge to find effective ways to manage such resources: motivate and promote their loyalty to the organization; establish rapid orientation process for temporary employees ensuring use of their potential *(Coombes 2014)*.

Merger and acquisition

Merger and acquisition (*further* M&A) involves purchase and sale of organizations or businesses and is based on the principle of synergy expecting that two organizations together create greater value than the same two organizations separately *(McClure, 2014)*. M&A are the two main patterns when organizations rapidly expand, enter new markets, and acquire knowledge and talents *(Werner et al., 2012)*. M&A can improve competitiveness and reduce costs *(Novickytė & Šileika, 2010; Barauskas, 2009)*. HRM faces the following challenges when cope with M&A:

- *Integration of acquired and/or merged companies*. All M&A includes a certain degree of integration – two organizations becomes one business *(Novickytė & Šileika, 2010)*. M&A success is determined by demonstrating that each member of these

organisations value members of the other organization, and actively working together emphasising the best features of each other *(Zatz, 2011)*. Meanwhile, the failure is mainly experienced due to the poor integration of organizational cultures or worse – its ignorance *(Bowles, 2012)*. HRM in M&A becomes responsible for establishing a new organisational culture; endorsing productivity, and retention of core employees, their motivation, emotionally safe working environment (managing lack of job security, stress, and loyalty to organisation); dealing with employees' reluctance to cooperate and resistance to changes; managing excess employees.

- *Solidification and assessment of the new entity*. As the new combined organisation materialize, it is important to evaluate the process of integration, make adjustments if needed, solidify and reinforce the new entity *(Schuler & Jackson, 2001)*. Thus, HRM has to evaluate the new organisational culture ensuring that employees are united around a common goal.

Outsourcing

Outsourcing involves the contracting out of a business process or a function when organization attempts to concentrate on the core business, reduce costs, increase flexibility, acquire new competencies, etc. *(Chiang et al., 2010; Storey, 2009; Fisher et al., 2008)*. On the other hand, there is a risk of losing advantages of organizational learning; organizational culture may need to be adjusted *(Storey, 2009)*. Outsourcing also means employee redundancy, increases tension and stress among employees; influences changes in in-house activities. These factors may lead to an increased employee turnover, lack of loyalty and poor performance *(Fisher et al., 2008)*. These are reasons why outsourcing creates challenges for HRM as following:

- *Loss of control over outsourced function*. Outsourcing limits control over the outsourced activity; there arise issues in motivation of outsourcing service providers, loyalty to organisations' goals *(Storey, 2009; Fisher et al., 2008)*. So HRM could be employed to eliminate the negative impact on employees and processes due to loss of control, complex information sharing and interpersonal relations; ensure productivity and manage conflicts arising between external and traditional employees.
- *Adjustment of in-house activities* reflects changes in links between activities after outsourcing. Therefore HRM faces a challenge to assists traditional employees to adapt to changes ensuring retention of core employees, to maintain an emotionally safe working environment, also to manage employees' reluctance to cooperate and resistance to changes.
- *Management of excess employees* also is important for HRM while it has to ensure at least negative impact on organizational performance, its reputation and employees' emotional state and ensure that the redundancy meets legal requirements.

3. Methodology and research sample

In order to identify the importance and perceptions of HRM challenges and patterns of organizations responses, a qualitative research method content analysis should be chosen, while its purpose is to identify meaningful units of analysis in the array of information *(Žydžiūnaitė, 2007)*. In this study, qualitative content analysis was performed by repeated reading of the text, dividing the content of the categories (HRM challenges) into subcategories (description of manifestation of each of the challenges), and finally interpreting them, and providing evidence extracted from the text (instruments used facing HRM challenges). This methodological approach provided an opportunity to identify and compare HRM challenges by the attributes discussed in scientific and professional HRM literature presented in the part two of this article. The data was collected using a table composed of

challenges and attributes characterizing them (approx. 100 elements), for example: performance and results-oriented organizational culture includes quality management standards, performance/results-based remuneration systems, financial, and non-financial incentives for achievements, performance appraisal and feedback, training, promotion to exchange information, knowledge, experience, and ideas and to cooperate.

The data were collected through processing e-documents published on the websites of organizations and registering them using MS Office Excel and MS Office Word. The reason for choosing this source of information for collecting data is increasing application of public relations instruments to share organisations aims and values to the outside. Content analysis it seems more relevant for the goal of the study, while interview and questionnaire survey allow to identify a subjective respondents' opinion of and their approach to HRM challenges. Therefore, the data would not necessarily show what is significant to organisations; management of organizations and HRM professionals most likely would list the challenges that actually are significant to them, so really important is what they publicly acknowledge. However, content analysis also has limitations: published information is used to improve and promote organization's reputation, attract potential employees without revealing too many details to competitors, therefore published information may be not entirely accurate (e.g. "we mentioned just a part of the benefits we provide" – Lietuvos Draudimas; "this is just a brief overview" – Mars Lithuania).

For the sample of empirical research 50 large organisations of Lithuania (according to SMEs act, and data provided by the directory of Lithuanian organisations) were selected. The criteria for the including in the sample – the organization should be a member of one or both: socially responsible companies and association of HRM professionals. It was presumed that large organizations have sufficient resources to use a wider variety of instruments and create innovative solutions; while being a member of above mention associations shows their sophisticated approach to HRM. Because of the amount of relevant information, 33 organisations that publish sufficient information to achieve the goal of the research were selected for the content analysis. Also these organisations emphasised (75.8%) a special importance of the employees (e.g., employees significance, moreover the basis for organisation's success etc.). Table 1 represents business activities of the sample listed by frequency (many organisations indicated more than one main activity).

Table 1. Business activities of the sample (own study)

Business Activities	Frequency	Percentage
Financial & insurance activities, consulting	8	22.2
Food Manufacturing	5	13.9
Wholesale & Retail Trade	5	13.9
Chemical Manufacturing	4	11.1
Energy & technology	3	8.3
Logistics	3	8.3
Clothing, Furniture & Related Product Manufacturing	2	5.6
Information & communications	2	5.6
Construction (Building, Developing, & General Contracting)	2	5.6
Education	1	2.8
Wood processing	1	2.8

4. Results of the research

The overall results of the content analysis are presented in Table 2. The challenges are grouped into 5 earlier discussed groups of changes, which pose these challenges. Results

displayed in Table 2 shows the number of organizations which mention at least one instrument that could be used responding to a particular challenge; and examples of detected instruments are provided.

As could be seen from the Table 2 information, on the sample websites showed that organizations in Lithuania often use instruments that help organisation when facing challenges posed by globalisation and social change and the changing nature of work (respectively 32 and 31 organisation).

Corporate social responsibility is not considered to be significant neither for the society, nor the business in Lithuania. However, the analysis revealed the opposite: organisations (31) expressed a lot of interest and concern on social and environmental issues. These results could have been determined by the fact that almost half (16) of the sample is a part of large multinational organisations and possibly follow the same values of corporate social responsibility. On the other hand instruments to respond to other challenges posed by globalisation and social change were barely even mentioned.

As already mentioned, 31 organisations declare to be using instruments that would help responding to challenges arising due to *changing nature of work*. Organisations design and develop performance/results-oriented organizational culture mostly through training: 28 organisations paid a great attention to present their approach to employee development. Moreover, 11 organisations have a training centre, training academy, or library and etc. However, it is not enough to provide employees with opportunities for further training and skills development; only very few organisations (2) confirmed necessity to ensure that developed or extended skills are used to contribute to the organization's success. Some organisations expressed importance of performance appraisal and feedback (9), and quality management standards (e.g., ISO 9000, ISO 9001, ISO 9002, and ISO 13485) (8) which also contribute creating and developing performance/results-oriented organisational culture. Improvement of job characteristics and working environment is ensured through physically and emotionally safe working environment (15 organisations). Taking into account employees' opinion, many of the organisations aim to offer job satisfaction, opportunity to fulfil ambitions and personal development; promotes work-life balance. 15 organisations suggested understanding the need to manage knowledge workers differently than employees before: 12 organisations value and promote communication and cooperation, which ensures flow of information, sharing of experience, ideas and knowledge; 6 organisations claim to encourage employees to express their opinions/ideas and enable them to make decisions ensuring usage of the potential of human capital. Talent management including talent identification, development, attraction and retention is at least partly established in 5 organisations: few organizations emphasized that they are actively seeking to attract, develop and retain employees demonstrating exceptional skills.

When it comes to *changes in the economic conditions*, organisations in Lithuania mostly pay attention to ensure retention of significant employees (25 organisations): 20 organisation claim to be going a step further than legally required in employer-employee relations (use of socially responsible HRM); few organisations (7) use appraisal management instruments which should enable maximum objectivity selecting employees with the highest potential. Redundancy management instruments ensuring minimal negative impact on organizational performance, its reputation and employees' emotional state are used in 4 organisations. To understand if the challenge to manage changes is significant to organisations in Lithuania, were looked for clues of using instruments ensuring effective communication within organisation, employee involvement in the decision-making process, and developing positive psychological climate. Nearly half of the organisations (16) declared using more than 1 such instrument.

Table 2. Summary of HRM challenges and results of content analysis (own study)

Challenge of HRM	Frequency	Percentage	Examples of instruments
Globalisation and Social Changes			
Corporate social responsibility	31	93.9	"Business ethics and principles of CSR are implemented in everyday activities"
Diversity management	2	6.1	"Equal opportunities for all, regardless of their cultural differences, gender, religion, race or personal beliefs"
Differences in business environment	0	0.0	N/A
Geographically dispersed team	0	0.0	N/A
Changes of Economic and Financial Situation			
Talent attraction & retention	25	75.8	"Actively looking for potential employees among the top students at universities"
Change management	16	48.5	"A regular feedback, and taking into account employee opinion on ongoing projects."
Employee redundancy	4	12.1	"If redundancy is inevitable, affected employees are assisted in preparations for a new job"
Changing Nature of Work			
Performance & results-oriented organizational culture	28	84.8	"Manager regularly discuss with employee his/hers performance and together decide how to improve it."
Improvement of job characteristics & working environment	15	45.5	"Annual survey helps better understand employee thinking, feelings and their working environment. The results are used to create the optimum working conditions ensuring employees' satisfaction and motivation."
Knowledge workers	15	45.5	"Every employee is fully responsible for their work; they are encouraged to search for innovations and supported implementing them; they are encouraged to think and perform differently."
Talent management	5	15.2	"Modern training programs help to discover talents, provides them with opportunities for professional development and career planning service"
Non-traditional employees	0	0.0	N/A
Mergers and Acquisitions			
Integration of acquired and/or merged companies	16	48.5	See change management
Solidification & assessment of the new entity	0	0.0	N/A
Outsourcing			
Adjustment of in-house activities	16	48.5	See change management
Loss of control over outsourced functions	9	27.3	"Open offices ensure the flow of information and co-operation."
Management of excess employees	4	12.1	See employee redundancy

It was quite difficult to assess whether challenges posed by *mergers and acquisitions*, and *outsourcing* are significant for organizations in Lithuania. Integration of acquired and/or merged companies and adjustment of in-house activities mean adjusting/creating a new organisational culture. An assumption has been made that the instruments enabling organisations to respond to change management challenge come into assistance, and at least partial helps responding to the integration of acquired and/or merged companies challenge. Loss of control over outsourced function means more complex information sharing. Therefore cooperation is the key instrument responding to this challenge. 9 organisations emphasized the importance of cooperation and claimed to be promoting it. 4 organisations highlighted that they are taking into account negative impact on organizational performance, its reputation and employees' emotional state when managing excess employees.

5. Conclusions

Comparison of HRM literature and results of empirical research in particular country leads to conclusion that importance of the HRM challenges depend on the context of a particular country.

The results of empirical research disclose that the most significant challenges for HRM in Lithuania are corporate social responsibility, and performance/results-oriented organizational culture. These results could have been different if the variety (frequency) of used instruments to respond to a particular challenge would have been taken into consideration; instead, the analysis was carried out paying attention only to existence of an instrument. A great importance to corporate social responsibility, as discussed in the fourth section of this article, could have been influenced by almost half of the sample being a part of large multinational organisations, which possibly passed on their great interest on social and environmental issues. High significance of performance/results-oriented organizational culture indicates that organisations in Lithuania could see human capital as their key asset, and understand the importance of application of their potential. Moreover, other two challenges arising due to changes in the nature of work appear might be quite important as well: improvement of job characteristics & working environment and knowledge workers management are significant to nearly half of the organisations. This indicates changing nature of work as the most influential change in HRM environment in Lithuania (as discussed in part 4 of this article, instruments that could help facing talent attraction and retention challenge, and challenges posed by M&A and outsourcing are only partially used by organisations).

The analysis also revealed a number of challenges which appear to be not relevant to organisations in Lithuania. Absence of interest in differences in business environments and in managing geographically dispersed team, and low score on diversity management show that despite scientific and professional HRM literature arguing globalisation to be highly important, it does not play such important role for HRM in Lithuania. Other challenges, that according to the analysis are not as important to organisations in Lithuania, are associated with M & A and outsourcing. Both of them belong to organisation's internal environment and are controlled by organisation. Contrary to changing nature of work, reorganisation and outsourcing wouldn't affect as many organisations. That explains a low importance of challenges they pose.

The research conducted and its results have also raised additional questions to be analysed and proposed a topic for developing the further research in this field. The research could be extended analysing frequency of instruments organisations disclose to be using. The number of times a particular instrument appears in a text might be more indicative of importance might lead to different results.

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