

Business Insight: Leadership and Human Resource Management Analysis for IKEA

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Abstract— This paper aims at evaluating the management of IKEA from two perspectives: the leadership of leaders and managers and the human resource management inside the firm. Part 1 focuses on analyzing the leadership of leaders in IKEA and providing suggestions for the challenges faced by the leaders. Part 2 focuses on the human resource management issues of IKEA and also provides relative suggestions.

Keywords— HRM, Leadership, IKEA, Herzberg's Theory, Maslow's Hierarchy Theory.

I. PART 1 – LEADERSHIP ANALYSIS

1.0 Introduction

1.1 Introduction of the Organization

IKEA is the world's largest furniture and household goods retailer from Sweden, founded in 1943. As of December 2008, IKEA had 292 large stores in 36 countries and regions around the world. Most of the stores are located in Europe, while others are located in the United States, Canada, Asia and Australia. The IKEA brochure, which prints up to 100 million copies a year, contains about 12,000 items and claims to be the most widely distributed book besides the Bible (IKEA 2018).

1.2 Introduction of Leader and Manager and What is the Organizational Mission and Vision

1.2.1. Leader and Manager

Leaders are committed to motivating subordinates and creating personal vision and energy. Leaders should set up the future development direction of the enterprise and strive to turn the company's plan into reality. They influence others with their charm and behavior. In contrast, the responsibilities of managers are more practical and specific. They need to pay attention to the daily operation of the enterprise. Planning, organizing, problem solving and evaluation are their regular work structures (Ibrahim and Cordes 1996). Although there are some differences in hierarchy and power between leaders and managers, leaders also play the role of managers in some special situations. Leaders and managers have the same goal. When the company faces some difficult challenges, leaders need to take into account the role of managers and make detailed strategic plans and employee arrangements.

Jesper Brodin was born in 1968. He began to work at IKEA in 1995 as a Pakistani purchasing manager. Over the years, he has held various positions, including assistant to IKEA founder Ingvar Kamprad and assistant to IKEA CEO Anders Dahlvig. In addition, he also served as regional manager of China and chief executive officer of Sweden headquarters. IKEA Sweden is responsible for the development, design, production and supply of all products in

all stores worldwide (World Economic Forum n.d.). Therefore, it can be said that Jesper Brodin has accompanied IKEA's growth for nearly 30 years. He was officially appointed CEO (chief executive officer) of IKEA in September 2017, which is also the leader of IKEA (INGKA n.d.).

1.2.2. The organizational mission and vision

"Creating a Better Daily Life for Most People" is the direction that IKEA has been striving for since its establishment. IKEA has always been associated with improving people's quality of life and adhering to the business principle of "providing as many customers as possible with household goods that they can afford, are well designed, fully functional and cheap". While providing a wide range of household goods that are beautiful and practical and affordable to the public, IKEA strives to create a business model that focuses on the interests of customers and society and is committed to environmental protection and social responsibility (IKEA 2020).

1.3 Structure of the Essay

In the introduction section, the paper introduces the background information of IKEA and CEO Jesper Brodin, and also includes the conceptual comparison between leaders and managers. In the main paragraph, first of all, the paper analyzes Jesper Brodin's leadership style with theory. Secondly, it expounds the challenges and consequences faced by leaders. The third part of the paper critically analyzes how leaders deal with difficulties. This is followed by a brief conclusion.

2.0 Main Body

2.1. Explanation of Leadership Style and Leadership Skills of Leader

2.1.1. Leadership Style

Jesper Brodin's leadership style is transformational (Bass and Riggio 2006). Burns and Bass define transformational leadership as leaders who can give more incentives to subordinates and pay more attention to their needs (Stewart 2006). As a leader, Jesper Brodin attaches great importance to the unity and faith of the team. He said: "The power is where the people are. Believe in yourself and your strength, but don't forget to rely on other people's strengths, too. Because we're truly stronger together. (INGKA n.d.)" IKEA publicizes job vacancy information to staffs so that they can evaluate their personal ability and start to manage their own career development independently by comparing with the requirements of a better job. In addition, in order to motivate

staffs more effectively and help their career development, IKEA provides various opportunities to encourage staffs to learn professional skills and knowledge in practice. IKEA not only helps employees realize their self-worth by encouraging them, but also meets the needs of them as much as possible according to the other four aspects of Maslow's Hierarchy of Needs Theory, including physiology, safety, belonging and self-esteem.

Regarding the arrangement of working hours, IKEA not only requires headquarters staff to freely allocate working hours, but also opposes employees working overtime in stores. IKEA believes that if co-workers work too hard, efficiency and productivity will decrease. At the same time, IKEA provides a comfortable working environment for its co-workers. For example, IKEA stores and office buildings are built according to the design of co-workers. Free drinks are provided throughout the day to quench thirst, and there is no specific meal time for lunch. IKEA also provides special lounges and smoking rooms. In particular, IKEA co-workers and their superiors are treated equally. It is usually impossible to identify managers or employees by their clothes. In a word, these measures reduce the pressure of employees and strengthen the relationship between subordinates and leaders, thus meeting the needs of employees and stimulating their enthusiasm for work (Wesley et al. 2015).

To sum up, Jesper Brodin is considered a transformational leadership style because he has been paying attention to the needs of employees and inspiring them to face new challenges. Not only that, but he is also a laissez-faire leader because he gives his employees a high degree of freedom. Sometimes, excessive stress at work will lead to a decline in productivity, but this leadership style can generate high motivation and provide effective quality output. In addition, Jesper Brodin's leadership style can also be defined as paternalistic leadership style in relation to Maslow's hierarchy theory (Maslow, Stephens and Heil 1998). He gave his subordinates enough respect and patiently listened to the needs of the employees and worked hard to realize them (Managementikea 2015).

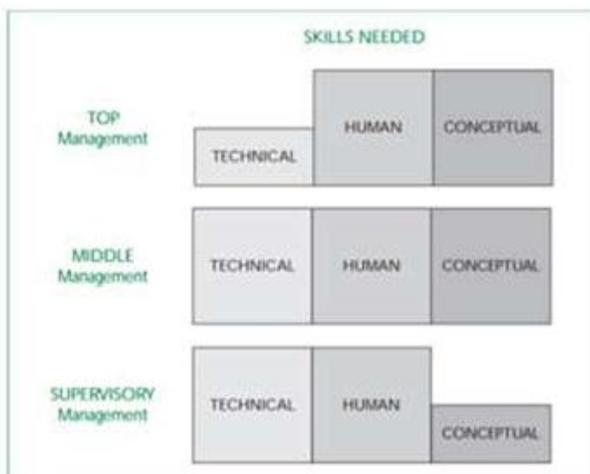


Figure 1. Administrative Skills (Katz 2009:33-34)

2.1.2. Leadership Skills

When evaluating a leader, not only the leadership styles but also the leadership skills should be analyzed. Leadership skills are usually divided into three categories: technical skills, human skills and conceptual skills (Northouse 2019).

As the leader of IKEA, Jesper Brodin belongs to top management (See figure 1). IKEA is not a technical enterprise, so it does not need specific practical skills. He can be respected by the co-workers and the co-workers are willing to work at IKEA, which shows that he has human skills. He also has conceptual skills because he knows the relationship between each department to keep IKEA running stably under a clear organizational structure.

2.2. Explanation of the Challenge that the Leader Deals With

In February 2020, an official news from IKEA announced that the store in Coventry would be closed this summer. The store cost 35 million pounds when it was built. However, since it opened in 2007, it has sustained losses and fewer people visited than expected (BBC News 2020). Ikea attributed the closure of the store to the scale of construction. The shop has seven floors and paid a high construction fee. At the same time, its geographical location is not good either. It is located in the downtown of Coventry, but it is next to the ring road. High construction and operating costs have not been able to form a positive proportion with profits. Although this is IKEA's first store in the UK, it is obvious that it is difficult to continue to operate because there is no stable profit for many years.

2.3. The Consequences of the Challenge

IKEA's announcement that it will close the store in Coventry is devastating news for co-workers. The news shows that 352 co-workers will face unemployment, although IKEA said they would try to help these co-workers facing unemployment find new jobs.

In addition, according to data provided by the Altus Group, IKEA's departure may put Coventry's finances in a crisis that cannot be ignored. IKEA is the 11th largest commercial interest rate payer. Nearly 1 million pounds will be paid each year (Joanna 2020). The closure of IKEA means that the government will lack this part of income for urban development and construction, which will slow down the development of Coventry.

3.0 Critically Analyze and Explain How Leader Executes and Leads the Organization to Deal with this Challenge

Regarding the closure of IKEA's largest store in downtown Coventry, IKEA's priority task is to arrange employee transfer. Minimize mandatory layoffs and strive for the best treatment for 352 employees facing unemployment (Tracey 2020). First of all, IKEA will look for job opportunities within the company for these co-workers, such as changing jobs or new workplaces for them. In addition, Usdaw, one of Britain's largest trade unions, offers some help and advice to IKEA members during this difficult period. At the same time, IKEA is also looking for new job opportunities through Jobshop for employees facing job losses (Tom 2020).

In addition, IKEA's new CEO Jesper Brodin will focus on the transformation of traditional marketing strategies. He gradually realized that the popularity of e-commerce and door-

to-door delivery has weakened the attractiveness of IKEA's warehouse stores to customers. IKEA has generally established its stores in remote locations in the city center. Customers have to drive for miles, which makes them have to pay high transportation costs (Reuters 2017). With the rise of online shopping, consumers have become accustomed to sellers delivering goods directly to their homes. This is undoubtedly the key reason why IKEA customers are decreasing year by year and are facing annual losses.

More specifically, Jesper Brodin's plan is to build small IKEA showrooms in the city center. IKEA's first city store was built in central London.

For customers, city stores not only solve their transportation problems, but also provide online shopping platforms. The number of visitors to the IKEA website increased by 10% to 2.4 billion after the online platform and city stores were put into operation. Store customers increased 3% to 838 million (BBC News 2018). The idea of city stores not only saves the construction cost, but also develops diversified businesses of IKEA, realizing initial transformation and entering digital commerce.

Obviously, the transformation of enterprises will face extremely high risks. This may be an opportunity to promote the development of the enterprise, or it may be an unprecedented threat. This transformation has almost updated IKEA's traditional marketing model, which is undoubtedly a great challenge. In response to this, Jesper Brodin said, "It's an era where what we're doing is we're allowing ourselves a greater degree of entrepreneurship. There's a risk of fragmentation or you might even say brand damage. But we're not seeing it at all like that. The speed of change and with consumers is speeding up and we need to keep up. (Richard 2019)"

To sum up, it is not difficult to see that Jesper Brodin is a leader with a transformational leadership style. Faced with the closure of Coventry stores, his first task was to help employees solve the unemployment problem. Secondly, he constantly adjusted IKEA's operation strategy. Changing IKEA's long-term development goals according to the needs of consumers shows that he is a visionary leader.

4.0 Conclusion

This paper analyzes the leadership style of the current CEO of IKEA, Jesper Brodin, based on the news that IKEA closed the Coventry store released in early 2020. Closing the Coventry store is a challenge for IKEA. In the main part, a brief introduction to this challenge and its consequences are written. Most of the contents of the paper are analyzed around the leadership's approach to solving this challenge, thus deducing the leadership style of Jesper Brodin. In the future development of IKEA, Jesper Brodin should maintain the current transformational leadership style. Pay attention to the needs of subordinates and become respected leaders. Encourage and lead followers to realize IKEA's goals, mission and vision through faith and innovation.

II. PART 2 – HUMAN RESOURCE MANAGEMENT ANALYSIS

The part mainly discusses four HRM issues faced by

IKEA. The Part 2 is divided into two subparts: main section and summary. The main section of the paper lists four issues concerning human resources management. After introducing each problem, a detailed analysis is made from the perspectives of advantages and disadvantages. Then, a feasible changing plan is given, and the advantages and disadvantages of the plan in the implementation process are evaluated. The last paragraph is a conclusion which conceptually reviews the structure and content of Part 2.

1.0. Human Resource Issue and Changing Plan

There is no doubt that employees are the core labour force of the enterprise, so the management, evaluation and motivation of employees become increasingly important, which is the responsibility of the human resources department (Chowhan et al. 2017). The human resources department will inevitably have some mistakes in its daily management. The following will list and analyze four problems in the human resources management of IKEA in recent years.

1.1. O4G Policy

➤ Brief Introduction of the Issue

O4G policy was officially launched and implemented at IKEA US on October 15th, 2017. This policy is intended to readjust the role of employees and reorganize the department. As a result of the reorganization, many employees were told that they would be promoted while being reduced in salary. The employees realized that their salaries would be cut and offered to resign despite the promotion.

After some co-workers resigned due to dissatisfaction with the policy, IKEA US faced problems such as shortage of co-workers and insufficient training (Áine 2019).

➤ Types of Human Resource Issues

O4G policy is linked to two kinds of human resources issues, retention and employee queries. The responsibility of human resources is not only to recruit new employees but also to retain existing talents. The release of this policy has led to a high turnover rate of staff because they think the policy is unfair. In addition, the policy calls for a reduction in employees' salaries, which will be classified as salary issues in employee queries. Whether employees are satisfied with the salary they earn and whether they receive the salary on time.

➤ Deep Analysis

Some employees reflect their real feelings about the implementation of the policy and the phenomenon caused by O4G policy anonymity to Business Insider. Many co-workers facing thousands of dollars in salary cuts are already secretly looking for new job opportunities and planning to leave IKEA. Even more exaggerating, it is calculated that IKEA managers may be affected by the policy to reduce their salaries by nearly US\$ 30,000 per year (Cain 2019).

Although this policy will promote the positions of employees, they will still choose to leave due to their dissatisfaction with wages. Employees generally believe that O4G policy is a rejection of high-income employees. This kind of cognition of employees will worsen the working environment and make the atmosphere no longer harmonious, which will hinder the cooperation between departments or teams (Cain 2018a). The implementation of the policy has also

caused IKEA USA to lose many experienced management staff (Cain 2019). IKEA needs to train more new co-workers to replace the old ones, which will undoubtedly result in high training costs and staff rotation costs. If the training of new employees is not progressing smoothly, or they cannot afford more work, it will easily become an obstacle to the company's operation and lead to loss of profits (Cain 2018a). The change of the employee's role is shown in Figure 2. In fact, not all employees are satisfied with the new role. Some jobs do not conform to their skills. It is difficult for them to perform well in their new roles. Over time, they will become insecure and lack motivation (Cain 2018b).



Figure 2. Changes in IKEA Roles (Áine 2018b)

If the O4G policy is analyzed from a positive point of view, it can be carried out from both employees and the company. For employees, the promotion of their positions can give them a broader vision and more practical opportunities in their work. Especially for low-level employees, they have a lower salary base and fewer responsibilities, so they have greater development prospects. If they continue to work at IKEA, although their wages have not increased, they can enter a higher level and even become a manager (Tadesse 2017). Therefore, O4G policy is a good opportunity for them to promote their personal career development. In addition, there are two points about the benefits of the policy to the company. First, the company can get a clearer organizational structure after the implementation of the policy (Castro n.d.). The organizational structure of the company is the prerequisite for good operation. Second, the company's profit share will increase. The reduction of employees' wages means that the proportion of the company's expenditure will be greatly reduced. Assuming that the company used to use 30% of its monthly income as employees' wages, the proportion may be reduced to 20% after the O4G policy is implemented.

Therefore, the company will have more funds for market development or investment projects.

➤ Changing Plan

Although O4G policy is beneficial to employees and companies, the disadvantages it causes still outweigh the benefits. According to Herzberg's two-factor theory, an improved plan was designed.

Herzberg's two-factor theory holds that motivation can be improved through motivating and hygiene factors (Alshmemri et al. 2017).



Figure 3. Two Influencing Factors of Herzberg's Theory (EPM 2018)

As shown in Figure 3, incentives include employee progress, higher achievement or some interesting work. Its existence makes employees work harder. Hygiene factors refer to wages, working environment, welfare, etc. Lack of hygiene factors will cause employees to lose their enthusiasm for work, thus resulting in dissatisfaction with work (EPM 2018).

The aim of O4G policy is to reorganize the structure of the company. To maximize the value of the new organizational structure, the contribution of employees should be improved first. If employees do not perform well, no matter how clear the organizational structure is, the company's operation cannot be improved. IKEA US has reached the motivation factor in Herzberg Theory, giving employees higher positions or new responsibilities they have never been exposed to, but they neglect the hygiene factor. IKEA should give employees higher salaries so as to stimulate their enthusiasm for work. In the policy, IKEA should promise each staff a basic salary which is balanced with the position to treat them equally. If employees want to strive for higher salaries, they need to contribute more, such as completing more tasks or playing more roles. The internal working environment of the company will become positive and relatively competitive. Competitiveness can make employees work harder under a good effect. Enterprises should provide employees with good working conditions, which can not only motivate employees to work more effectively but also retain experienced employees and improve their loyalty to the enterprise.

1.2. Fernandez's Death

➤ Brief Introduction of the Issue

Joaquin Fernandez, a 41-year-old engineer from Spain, died on October 18, 2016, while working on a hydraulic lift at IKEA Reading store. His colleague Gomez De Sola did not put the elevator into maintenance mode, which resulted in the elevator falling accidentally. De Sola said that if Fernandez hadn't moved his body to try to save himself, he wouldn't lose his life, because the elevator was at a distance from the ground. The elevator pressure broke all ribs in Fernandez's chest and broke his spine and shoulder bones. It was finally identified as traumatic asphyxia death (Joshua 2018).

➤ **Types of Human Resource Issue**

The accident is a health and safety issue. For legal reasons, the company must record the details of health and safety information, such as equipment maintenance or employee health. Health and safety records are to ensure the safety of employees and help the company to fulfil its legal obligations to employees and the public (Reese 2018).

➤ **Deep Analysis**

Fernandez's death in a work accident was unexpected and tragic. The incident brought great negative influence to colleagues and the company.

More employees will worry about their safety at work, especially technical employees. They may be doing the same job as Fernandez or in the same working environment. Some people even quit their jobs and left IKEA because they feared for their lives. In the long run, some job seekers planning to work at IKEA will also give up because of the accident. Today, workplace health and safety procedures are of paramount importance to employees and employers. The casualties are incalculable and intolerable. This kind of accident will cause heavy losses to the employees' families (Medium 2018). At the same time, the occurrence of this tragedy also reminds IKEA that it should pay attention to equipment maintenance and update and perfect the safety system to avoid future troubles.

The IKEA store in Reading was built at a cost of 10 million pounds and officially opened on July 14. In fact, it has only been in operation for three months and is facing this serious employee death accident. It was forced to close down due to on-site investigations by the police and doctors (Walker 2016). Profits from short-term operations cannot match expenses. There is no doubt that the store is in a state of loss. Although only the Reading store has been closed, IKEA still needs to maintain stable profits by increasing the income of other stores.

➤ **Changing Plan**

In order to avoid similar accidents in future work, IKEA should make some improvements according to Maslow's hierarchy of needs theory.

Maslow's hierarchy of needs is a theory of motivation in psychology, including a five-level model of human needs. Starting from the bottom of the hierarchy, the needs are physiology, safety, love and belonging, self-esteem and self-actualization. The demand is met step by step. As a basic condition, the company can help its employees achieve their personal achievements only after ensuring their necessary physiological and safety needs (Fallatah and Syed 2018).

IKEA can start from the following three points to meet the needs of co-workers for work safety:

1. Provide employees with all-round work insurance.
2. Increase the technical staff's professional knowledge training.
3. Timely overhaul equipment and update system.

Starting with insurance, IKEA should purchase commercial insurance for new employees and reflect it in the contracts signed. Insurance is very important in order to be fully prepared for accidents in life. As happened in the accident, if the employee dies unfortunately at work, the compensation provided by life insurance can at least protect the employee's family living expenses (Sharma 2017).

The second improvement plan is to provide more comprehensive training for employees. According to normal procedures, employees become regular employees of the company after signing contracts, and they need to be trained after joining the company. The staff of the technical department have to control a lot of equipment every day, so they should be trained more carefully. The training should not only include theoretical knowledge and operation specifications but also include some practical exercises and even rehearsals of some emergency situations. The purpose of training is to improve the professional quality and professional level of employees. Employees' participation in training also helps to increase their cooperative relationship (Noe and Kodwani 2018).

Finally, IKEA should overhaul and update the safety of the equipment in time, although the death of Fernandez was not attributed to the equipment. Providing safe equipment for technicians will greatly reduce the unknown risks in their work. In particular, high-risk equipment should be overhauled more frequently, from monthly to weekly. Although the frequent inspection will increase the cost of equipment maintenance, whether it is human labour or materials, it will well ensure the safety of equipment use.

1.3. IKEA gives India employees six months paid parental leave

➤ **Brief Introduction of the Issue**

According to the survey, about 25% of women with higher education in India have decided to quit their jobs after pregnancy and become full-time mothers (Assocham 2015). IKEA India offers 26 weeks of paid parental leave to co-workers like Sweden (Iyengar 2017). The effect of this policy did not reach the expectation. In fact, most Indian female employees are temporary workers who do not meet the conditions of maternity leave or paid leave.

➤ **Types of Human Resource Issue**

According to the summary above, this problem can be attributed to cross-cultural management. Specifically, it is caused by cultural differences between countries. Multinational companies usually need to flexibly change their operation strategies according to regional and cultural differences in management. Lack of understanding of cultural differences will lead to improper decision-making. For example, individualism culture (e.g. English) emphasizes independence, while collectivism culture (e.g. Venezuela) emphasizes common interests (Randi n.d.). Transnational

corporations should realize that according to these cultural differences, the management of regional branches should be different.

➤ **Deep Analysis**

Mothers will be entitled to 26 weeks of vacation with full pay, compared with 12 weeks previously. On the positive side, this puts India ahead of several richer economies, including the United States, Japan, Germany and France. In addition, a good working policy for workers may represent a high retention rate (Pell 2017). When female employees are extended their paid maternity leave, they can have more time to concentrate on taking care of their children. They can also pay attention to the growth of babies without quitting their jobs. During the period of maternity leave, female employees can still earn income to support their families' daily expenses. This policy helps them to solve their problems and gives them an additional choice besides resigning, so they will be more willing to work at IKEA. With the help of IKEA's warm policy, female co-workers will also work harder and perform better. Improving the personal work efficiency and quality of employees means that the company will develop more smoothly.

Although from a long-term perspective, this policy has brought many positive effects. However, a prerequisite that cannot be ignored is that many Indian employees are not suitable for this policy. According to the annual employment and unemployment report, temporary workers account for one-third (33%) of India's employment (Natarajan 2018). This is the most common form of employment. The income or status of daily wage earners is obviously different from that of permanent employees. In this case, the same policy may benefit all female employees in Sweden and only two-thirds of female employees in India. In addition, change another negative impact assumption. If female employees can enjoy up to six months of maternity leave, the company's losses are incalculable, both in terms of capital and labour. First, paid leave means that workers are paid for not doing any work. Second, everyone else has to take on extra work, because employers may not be able to provide extra staff to replace job vacancies (Gaille 2015). Therefore, this policy needs to be changed.

➤ **Changing Plan**

The fundamental reason why the policy of extending paid maternity leave has not achieved good results in India is that the market flexibility of IKEA's labor force is relatively low. Flexibility in the labor market refers to the reaction of the labor force to changes in market conditions (Economics Online n.d.). In India, the common job of employees is temporary, and temporary contracts are generally recommended to improve flexibility.

In order to benefit all types of Indian female co-workers, first, IKEA should design a special policy for temporary workers. For example, temporary employees can sign a contract with the company to continue working at IKEA when they know they are pregnant. After signing the contract, IKEA can define the salary of paid maternity leave according to the performance appraisal ratio of co-workers (Mohrman and Lawler 2017). This method not only meets the needs of

employees but also will not lead to a significant reduction in staff turnover rate. The second plan is that female employee can be assigned some simple tasks that can be completed by computers when they take maternity leave, such as publishing some online publicity posters or becoming online after-sales customer service (Christensen 2019). In this way, the salary paid by the company to them will become more valuable.

1.4. IKEA to cut 7,500 jobs globally by 2020

➤ **Brief Introduction of the Issue**

IKEA plans to cut 7,500 jobs worldwide by 2020, including 350 in the UK (Chapman 2018). The reason for this massive layoff is that IKEA will change its overall operating strategy. In order to keep up with the changing shopping habits of consumers, IKEA has shifted its main operation to online platforms and built more small studios in urban centres (Monaghan 2018). At the same time, IKEA also announced that it would create 11,500 new jobs worldwide while cutting jobs, with Britain accounting for 500 (Chapman 2018).

➤ **Types of Human Resource Issue**

The layoff is part of IKEA's biggest transformation in history (Milne 2018). It will focus on the central administrative departments of the 30 countries where IKEA does business (Monaghan 2018). These employees are usually at a higher level and have corresponding rights. To sum up, this problem can be classified as talent retention and management.

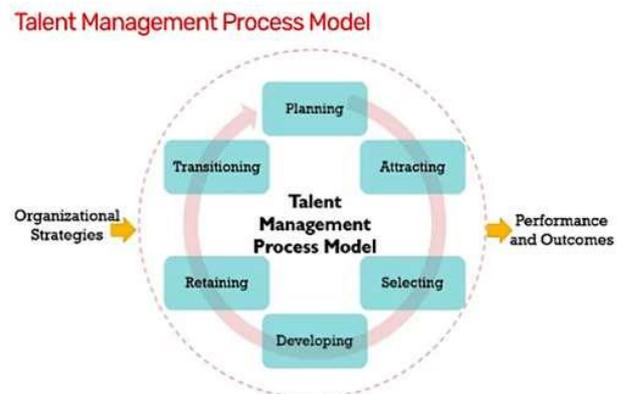


Figure 4. Talent Management Process Model (Prarthana 2019)

As shown in figure 4, the talent management process involves identifying talent gaps and vacant positions, finding suitable candidates and joining the workforce, developing the skills they need, training their relevant professional knowledge, and retaining and motivating them to achieve long-term goals and business objectives (Ghosh 2019).

Talent management and retention have always been recognized as the most important factors for organizational success. Facing the increasingly high turnover rate of employees, retaining valuable employees has always been a problem that managers need to pay attention to (Collings et al. 2018).

➤ **Deep Analysis**

IKEA's profits in the UK plunged nearly 40% in 2017 to about 87 million pounds. IKEA attributed the substantial loss of profits to the high salaries paid to the administrative staff

and the investment costs of shops and websites (Monaghan 2018).

Jesper Brodin, the current CEO of IKEA, said IKEA needed to simplify its organizational structure because they found that some co-workers were actually doing the same job (CNBC 2018). That is to say, IKEA paid two salaries for the same job. They avoided this kind of repetitive expenditure by laying off staff. Cutting the expenses on employees' salaries will enable IKEA to concentrate more funds to better support the development of online platforms, thus meeting the online shopping needs of more customer service.

The previous paragraph mentioned the advantages of large-scale layoffs. However, layoffs are also lossy. The massive loss of experienced talents will paralyze IKEA operations (Lawrence 2017). If the laid-off employees have the ability to develop the company's projects, the company will lack high-efficiency and high-quality output, which may eventually have a negative impact on the company's long-term development (Harrington 2016). Although the human resources department can provide professional training for new employees, ignoring the training cost, the trainees still need to take over the responsibilities of the former employees of the administrative department for several months or years (Lawrence 2017).

➤ Changing Plan

The sensible and effective cost reduction method should not be mass layoffs, but to provide more diversified and innovative job opportunities for employees after realizing their characteristics (Harrington 2016). It is boring for employees to always do the same job. Trying new jobs can make them more energetic and stimulate employees' creativity, thus realizing higher self-worth and achieving new achievements in their career. In particular, if talented people get a challenging position that they have not tried before, they will come up with a variety of novel ideas, which will be more helpful to IKEA during the transition period. To sum up, IKEA can try to transfer those employees in the administrative department who are about to be laid off to new jobs, such as the managers of regional studios. This will not only prevent large-scale layoffs from destroying the fragile structure of the company during its transformation but also save the cost of re-recruitment and training.

2.0. Conclusion

The main content of the paper is about four real IKEA human resources issues. The first issue is O4G policy. This issue is classified into retention and employee queries, and suggestions for improvement are given based on Herzberg's two-factor theory. Subsequently, the death of hydraulic lift worker Fernandez reflected the safety of health and safety for employees, and a changing plan was designed according to Maslow's hierarchy of needs theory. The third issue is IKEA provides paid maternity leave for Indian female staffs for up to six months, but this policy cannot be widely used as in Switzerland. This issue reflects the cross-cultural management problems caused by regional differences. The last issue is about talent retention and management. The case cited is IKEA's massive layoff of 7,500 people in 2020. Every human

resource problem is analyzed from both advantages and disadvantages, and a changing plan is given.

After summarizing the main contents of the paper, the following paragraphs are some suggestions for the future development of IKEA.

IKEA's large-scale transformation is taking place. It should use the Internet to better promote online marketing so as to cater to mainstream consumption patterns. IKEA, as a retail company, employees' service to customers and contribution to the company are the core factors supporting the development of the enterprise, so employees should be paid more attention. To provide them with better policies, safer and more comfortable working environment, and higher personal development opportunities, so as to encourage employees to have higher efficiency and higher quality at work.

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