Impact case study (REF3)



Institution: University of Dundee Unit of Assessment: UoA 17 Business and Management Studies Title of case study: Addressing the Uniqueness Paradox by Changing HR Strategy and Practice in a Global and Local Company Period when the underpinning research was undertaken: 2014-2020 Details of staff conducting the underpinning research from the submitting unit: Period(s) employed by Name(s): Role(s) (e.g. job title): submitting HEI: Graeme Martin Professor and Associate Dean August 2012 - to date Research Period when the claimed impact occurred: 2015-2020 Is this case study continued from a case study submitted in 2014? N

1. Summary of the impact

Research focused on strategic human resources management has provided insights into strategic HR and corporate governance, organisational trust, employer branding and employee engagement. The work has led to significant changes in HR strategy and practice in a Swedish multi-national company and in a fast-growing Scottish SME. The research has enabled executive teams in these organisations to better understand key reputation, talent management and employee engagement problems, and to develop solutions that have changed their organisational practices.

2. Underpinning research

All organisations are tasked with addressing the *uniqueness paradox* – balancing the need to have a *different* business model and identity with the need to be the *same* as others in the sector (usually by following industry 'best practices'). If organisations are unable to resolve this paradox, typically they fail to differentiate themselves in relevant product and labour markets, leading to a lack of *optimal distinctiveness*. This failure is especially evident in hi-tech firms, which become unable to attract, engage and retain high value-adding and scarce employees, arguably their most important resource. Thus, creating a virtuous circle between innovative talent management and organisational reputations in hi-tech firms has become critical to their sustainable success – high quality people create reputations while reputation attracts high quality people. Exploring these links between corporate reputations, branding, trust and innovative HR strategies and practices has been a major focus in Martin's work over the past 18 years, since publishing the first report on employer branding for the Chartered Institute of Personnel and Development (CIPD) in 2002 and the first book in the field linking corporate reputations, branding and people management in 2005.

Building on the findings of these earlier works, he has undertaken a sustained programme of research, impact activity and engagement since 2014 with HR executives in the UK and Sweden, leading to outputs that help academics and practitioners understand the corporate reputation-talent management relationship. This body of work has produced new theoretical frameworks showing how employer branding and HR policies can positively impact on corporate reputations, corporate governance and sustainability, trust dynamics in organisations and enabling of employee voice. As a result, his research with colleagues has been influential with policy and practice in the UK and overseas. The main implications of his research focus on:

 Proposing new roles, policies and a new framework for assessing the impact of human resource management (HRM) on key strategic outcomes, including enhanced corporate

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reputations and sustainable corporate governance in large, complex organisations [R1, R4, R5, R6].

- Showing how HR professionals can resolve the 'uniqueness paradox' in large organisations and SMEs by using innovative employer branding and identification/ employee engagement strategies to create optimal distinctiveness building distinctive employer brands while achieving legitimacy with key stakeholders. Such a resolution requires organisations to create and sustain employee engagement/identification at 4 distinct but related levels engagement with the work itself, the work group, organisation and industry by using different strategies [R4, R5, R6].
- Helping HR executives understand how the use of enterprise-developed social media
 can assist but also constrain employee voice and employee engagement in innovation in
 large companies. The historical context of trust relations and the manner of social media
 introduction are key factors in enabling employee voice [R2].
- How trust-dynamics, trust-building and repair impact on the creation of authentic employer brands and improve employee engagement. This work shows how firms can build high-trust dynamics, and repair trust if necessary, but from a critical management perspective, shows the weaknesses of conventional approaches to trust repair [R1, R2, R3].
- Showing how approaches to corporate governance constrain the extent to which senior HR managers make sense of, and enact, effective employer branding, employee engagement and strategies. These works have set out a new, widely cited, framework for sustainable corporate governance, based on high-trust dynamics, which has also influenced CIPD thinking on sustainable organisations [R1, R3].
- Showing how start-up SMEs can become high-growth, scale ups by investing in HR strategies that create high-value adding human capital, bridging and bonding social capital and reputational capital in their entrepreneurial ecosystem [R6].

3. References to the research

[R1] Martin G, Farndale E, Paauwe J, Stiles PG. (2016) 'Corporate governance and strategic human resource management: four archetypes and proposals for a new approach to corporate sustainability'. *European Management Journal*. 34 (1) pp.22-35. DOI: 10.1016/j.emj.2016.01.002

[R2] Martin, G., Parry, E. & Flowers, P. (2015) 'Do social media enhance constructive employee voice all of the time or just some of the time?' *Human Resource Management Journal*. 25 (4) pp. 541-562. DOI: 10.1111/1748-8583.12081

[R3] Siebert, S., **Martin**, G, Bozic, B, & Docherty, I. (2015) 'Looking 'beyond the factory gates': towards more pluralist and radical approaches to intraorganizational trust research' *Organization Studies*, 36 (8) pp.1033-1062. DOI: <u>10.1177/0170840615580010</u>

[R4] Martin, G. & Sinclair, K. (2018) 'Employer branding and corporate reputation management in global companies: theory and practice', in Collings, D. G., Scullions, H., and Caligiuri, P. M. (eds.) *Global talent management*, (2nd ed.) London: Taylor and Francis, pp. 144-164.

[R5] Martin, G. & Siebert, S. (2016) *Managing people and organizations in changing contexts* 2nd edn., London: Routledge.

[R6] Martin, G. & Arshed, N. (2020) 'How and when can HR actions, behaviours and capabilities transform start-ups into scale-ups?'. *Academy of Management Annual Meeting*, 7-11 August 2020.

4. Details of the impact

Impact on Getinge's HR Branding and Engagement Strategies and Practice

Getinge is a global medical technology company based in Sweden, employing over 10,000 people in 38 countries and with a reported revenue in 2019 of SEK 26.6 billion. Martin has worked closely with Getinge's senior HR team since 2018, drawing on research **[R1-R5]** to critique existing strategy and to inform the development of a new corporate HR strategy.

His work has led the HR directorate to change their 'One Getinge' corporate approach to HR strategy to one that aligns 'global' identity with employees' expectations and sense of local identity in subsidiaries in different countries. The Executive Vice President (EVP) for HR and Sustainability, has reflected on the value of the research in enabling the senior team to look up "from the operational mire that we often find ourselves in" and to shape their strategic thinking **[E1]**.

Following initial strategy workshops in 2018, Martin and his team worked with Getinge to redesign their bi-annual employee engagement survey as a way of understanding employees' identification with the corporation. Drawing directly on research in employer branding **[R4]**, HR innovation **[R5]** and trust **[R3]** research, the team conducted further qualitative research in 10 plants in Sweden, Germany and the USA. The research and findings led to Getinge's HR team changing their approach to assessing employee engagement, to use focused pulse surveys and qualitative interventions rather than large-scale corporate surveys. The Vice President HR, comments on this shift:

Your research, analysis of the survey data and new 'pulse survey' on identification and trust have been enormously valuable to us. [It] has changed the way we work with employee engagement and employer branding in Getinge. We have become more specific and our employee value propositions are now better aligned with national cultural and local plant considerations. [E2]

Although future implementation of the research has been delayed by COVID-19, she goes on to note that preparations are already underway to implement research-based changes:

We... are now, as an example, preparing for targeted leadership interventions to strengthen our leaders capability to build trust. This will be fully implemented once things return more to normal stage after Covid-19. **[E2]**

In separate correspondence, the EVP for HR and Sustainability further reinforces this:

Your research... has been particularly insightful in giving us an excellent evidence-base on which to make our approach to HR more aligned with employees in local cultures and plants. As a consequence of your work... we have reshaped our 'One Getinge' HR strategy and employee engagement approach to fit more closely with local expectation and identities... We would like the Dundee team to continue your work post COVID in Brazil. [E3]

Impact on Waracle's Scaling-up Process

The research has also led to significant strategic organisational and HR change in Waracle, a rapidly growing, Dundee-based start-up company, which has become a UK leader in the mobile app development and internet of things markets. Drawing extensively on **R2-R5**, Martin undertook further action research over a period of three years **[R6]** with Waracle's executive team (October 2017-July 2020). Both bodies of research provided Waracle with a critical understanding of, and practical advice on: (a) the organisational development and HR problems resulting from rapid scale-up, (b) contextually-sensitive policies on talent management, employee engagement and corporate identity, and (c) changed organisational structures and

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processes. The research has enabled Waracle to enhance its reputation as a leading employer of high value-adding and scarce developers in the UK. Specifically drawing on ideas developed in **R5** and **R6**, advanced methods of selection, appraisal and flexible working have been introduced to improve Waracle's human, social and reputation capital.

Waracle's HR Director endorsed the impact of R2-R5 and the in-company action research [R6]:

As Waracle have grown and developed we have faced growing pains in employee branding strategy, talent management and integrating different sites in our journey to become the UK leader in the field of mobile app development. Graeme's research on HR and corporate reputation, and his continued work and advice for us over the past three years has been essential to us scaling-up very quickly and preparing us to attract and retain talented developers. Having a reputation as a top-class employer is absolutely essential for us to grow sustainably, nationally and internationally. **[E4]**

As further evidence of impact, Waracle also achieved runner-up position as the Best Early-adopter in the Scottish Top Employer for Working Families Awards 2019. In their award application, Waracle wrote: We're working closely with Graeme Martin... We're keen to be ahead of our competitors in flexible working and we're utilising every piece of expert advice we can." [E5]

Evidence of increasing awareness of their reputation as an employer and the successful management of multiple sites across Scotland and England is provided by their rapid growth during 2017-20. The FT Fast Tech Trak 100 Companies listed Waracle as one of the fastest growing UK tech companies. In an interview with the CEO in February 2021, he pointed to increased revenue from £0.4m in 2017 to "in 2019 we finished at £11.7m... 2020 we finished at £14.3m" **[E6]**. Employment has risen from 10 employees in 2017 to nearly 200 in 2020 located in offices in Dundee, Glasgow, Edinburgh and London. Remarkably, the company has continued to grow employment and revenues during COVID-19 because of the early implementation of flexible working and growing reputation as an employer of choice.

Engagement with Senior HR Executives Leading to Wider Impact

Martin has disseminated his research **[R1-R6]** at events in the UK, Sweden and Australia, leading to his appointment from 2018 at the Centre for Global HRM - a leading university-industry HR collaboration in Sweden. The co-director of the Centre confirmed that: 'Your engagement with our business partners... is certainly creating an impact on how organizations such as ... two of our largest employers, think about HR and leadership strategy.' **[E7]**

His work on corporate governance and HR **[R1]** has been cited by the CIPD as underpinning for their own future policy paper on Shared Value. The (then) Head of Research and Thought Leadership for the CIPD emailed on 25/10/19 '... Your work has offered an excellent framework for exploring strategic HRM practices...' **[E8]**

5. Sources to corroborate the impact

[E1] Email correspondence: Executive Vice President for HR and Sustainability, Getinge AB

[E2] Email correspondence: VP for HR, Getinge AB

[E3] Email correspondence: Executive Vice President for HR and Sustainability, Getinge AB

[E4] Email correspondence: HR Director, Waracle

[E5] Waracle application to Scottish Top Employer Awards 2019

[E6] Interview transcript with CEO, Waracle



[E7] Email correspondence: Director, Centre for Global HRM, University of Gothenberg

[E8] Email correspondence: (former) Head of Research and Thought Leadership for the CIPD